



WHERE PROPERTY MATTERS ASK EVES

NEWS SUMMARY

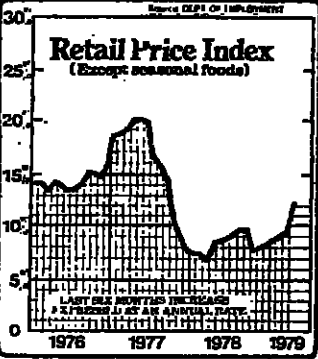
GENERAL Posting of army secrets probed

BUSINESS Equities business low; Gold falls \$1 1/4

Double-figure rate of retail price inflation returns

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

The 12-month rate of retail price inflation has moved back into double figures for the first time since the end of 1977...



The main advance warning indicators of inflation suggest that any further acceleration should be limited...

Murray sounds warning to Tories

By Alan Pike, Labour Correspondent

A REPLAY of the years 1971 to 1974 would not be the way to improve employment, earnings and industrial performance...

Carter attacks Congress on oil ration vote

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

MR. JIMMY CARTER yesterday delivered probably the most blistering attack of his Presidency on Congress...

The Defence Ministry has announced an immediate review of the way classified material is sent by post...

Equities finished the first week of the new account with business at its lowest for three weeks...

Thorpe accused over witnesses

index closed 0.1 up at 532.8, representing a 25.8 drop over the week from the all-time peak of 558.6.

NUT rejects plea

WALL STREET was 1.73 up at \$30.65 just before the close.

Election strain

GOVERNMENT will not say by September whether or not Britain will join the European Monetary System...

Bomb blast

WEST GERMAN value added tax rate is to go up from 12 per cent to 13 per cent on July 1.

Aircraft deaths

VALUE of sales of land and buildings in England and Wales in 1978 reached nearly £10bn...

Author charged

GOVERNOR of the Bank of Italy, Dr. Paolo Baffi, and other Italian financial personalities have been summoned to appear before Rome magistrates...

Crash error

BL FOREMEN at 34 plants have begun a company-wide overtime ban...

Leaders jailed

EMIL, the troubled leisure group, is selling 29 public houses and licensed taverns to Grand Metropolitan...

Briefly

BRASCAN chairman has told a New York State Attorney General's investigation that the company had no plans to sell off any Woolworth assets...

Kuwait asks Egypt to pay back \$1.1bn, bankers say

ARAB COUNTRIES have started to put financial pressure on Egypt...

APART from the special deposits at the central bank, Egypt's total debt servicing and capital repayment programme for this year is believed to be just over \$1.4bn.

KCA buys Furness stake

BY JOHN MOORE

KCA INTERNATIONAL, the oil servicing and contracting group, has bought a 12.13 per cent stake in Furness, Withy, the British shipping company.

CHIEF PRICE CHANGES YESTERDAY

Table with columns for RISES and FALLS, listing various commodities and their price changes.

CONTENTS

Table of contents listing various articles and their page numbers.

Invest with Smaller Companies

Advertisement for Arbuthnot Securities Ltd. featuring 'Smaller Companies' and 'Invest with Smaller Companies'.

Provincial

The extraordinary Congressional debate over standby rationing plans this week, which took place against a background of a petrol shortage...

Large advertisement for Arbuthnot Securities Ltd. featuring 'Invest with Smaller Companies' and 'Smaller Companies Fund'.

OVERSEAS NEWS

Bank of Italy's Governor faces new SIR charges

BY PAUL BETTS IN ROME

DR. PAOLO BAFFI, Governor of the Bank of Italy, and other leading personalities of Italian finance, have been summoned to appear before the Rome magistrate conducting inquiries into allegations of irregular loans to the SIR chemical group.

followed his earlier allegations against Dr. Baffi and the temporary arrest and suspension from office of Sig. Sarcinelli. Sig. Sarcinelli's reinstatement as deputy Director-General of the Central Bank was permitted last week by the magistrate who seems to be acting with greater caution this time.

Andreotti—new TV star

BY OUR ROME CORRESPONDENT

ITALY'S private television stations, which operate on shoe-string budgets from the studios in converted attics and small flats, have found a new star.

Between vintage Hollywood movies featuring Robert Mitchum, soft porn and endless commercials, Sig. Giulio Andreotti, the Christian Democrat caretaker Prime Minister, has this week been holding a series of chat shows as part of his campaign for the General Election in June.

Answering questions from charwomen, taxi-drivers, pensioners, white-collar and factory workers, the Prime Minister touched on all the social issues of the campaign—social security, pensions, taxation, housing, education and law and order.

These tend to drop largely into the background, because of the preoccupation of the country's political parties with the eventual alliances for the next Government.

Sig. Andreotti is also campaigning to consolidate his own

and his deputy Director-General. Nevertheless, the latest initiative by the judiciary could have severe repercussions. At one stage, Dr. Baffi, who is greatly respected, is understood to have been on the verge of resigning. The latest move comes at a time when the credit institutes exposed in SIR have finally agreed on the rescue of the chemical group which has outstanding debts of 1,200bn. This involves the setting-up of a banking consortium which is to put up about 1,100bn for the recovery of SIR. Some 1,500bn of outstanding SIR credits will be converted into new risk capital and there will be an injection of between 1,500bn and 1,600bn of fresh funds.

position within his party—in view of the Christian Democrat congress due in the autumn. Thus, he like other politicians, has turned to private television, because of a decision to stop political reporting on the national network.

Italian political parties have always been obsessed about political reporting on national television. To avoid any controversy this time, the Parliamentary broadcasting commission has ruled that only a bland summary of the day's election news can be put out.

The political parties are also entitled to screen their own election propaganda on national television on an equal-time basis every week. Since these programmes are extremely tedious, the public tends to switch over to the private stations.

When the small and eccentric Radical Party was recently given time on the national television, its representatives sat through the whole programme in total silence with their mouths

Iranian economy 'almost stagnant'

By Simon Henderson in Tehran

IRAN'S ECONOMIC activity is virtually stagnant having barely recovered from the paralysis which gripped the country at the time of the revolution, according to a business survey by a Western embassy in Tehran.

Construction companies have nearly all closed, the survey says. It was thought that many manufacturing concerns would also have to shut down. Many companies were having to rehire laid-off workers because of pressure from revolutionary committees.

The survey did not include oil-related industries and banks in its inquiries. It did, however, contact some 90 companies, and its compilers feel that, if anything, its conclusions are optimistic.

Foreign companies are not grouped separately. This is because, unless they were in partnership with Iranian concerns, they mostly left Iran before the revolution, and have only returned to re-establish representative offices or recover debts.

Pharmaceutical companies had done best, probably because drugs were excluded from the effects of a two-month anti-Shah strike by the Customs administration.

All six concerns contacted were operating, but three of the usual managing directors were no longer in the country.

In the Tehran Bazaar, previously the centre for much of the country's wholesale trade, prime interest rates were reported at between 30 and 36 per cent against 20-24 per cent before the revolution.

Most importers contacted reported sales were down. Five companies said the sales had fallen by 90 per cent. All were now able to clear freight through customs, but difficulties in obtaining letters of credit still remained.

Some industrial companies reported they were operating at up to 80 per cent capacity, but most were between 20 and 60 per cent.

The survey concluded that Iran's economy will worsen, and that unemployment, estimated at 4m, or 25 per cent, will grow as more factory revolutionary committees will not be able to keep on workers if there is no money to pay them.

Soweto student leaders given jail sentences

By Quentin Peel in Johannesburg

ELEVEN former Soweto student leaders were sentenced to jail terms totalling 62 years yesterday, for their part in organising demonstrations during the Soweto riots. But seven were promptly freed with suspended sentences.

The students, who gave clenched-fist salutes as they arrived in the dock, had been found guilty of sedition for their involvement in the banned Soweto Students Representative Council. Most have been in detention since June, 1977.

Defence lawyers say the convictions for sedition, without any evidence of actual involvement in violence, could create a precedent for sweeping new moves against political dissidents.

U.S. will not help commodities fund

BY PHILIP BOWRING IN MANILA

THE United States will not contribute at present to the aid facility for commodity producers which is to be established as part of the new common fund for commodities, Mr. Andrew Young, U.S. Ambassador to the United Nations told the UN conference on trade and development in Manila today.

Agreement on setting up the fund which will have a role in stabilising commodity prices was reached between industrialised and developing countries earlier this year, although many of the details have still to be worked out.

Mr. Young said, however, that the U.S. would work to further the goals of the second window, which is aimed at financing aspects of commodities such as research into production and

marketing. Mr. Young referred to domestic political problems which made it inappropriate for the U.S. to make a specific commitment at present.

Most other industrialised countries have given a commitment in principle to the second window but most have not put figures on their contributions.

Elsewhere at the conference, Iraq called for the setting up of a new international fund to compensate developing countries for increases in the prices of their imports caused by inflation in other countries.

The fund should encompass all industrial countries irrespective of their political and economic systems and also oil producing countries which would contribute on the basis of the burden to developing countries caused by oil price increases. Though few delegates

regarded the Iraqi proposal as more than a talking point, the lished as part of the weak commodity balance of payments problems of non-oil developing countries was underlined by Mr. J. de Larosiere, Managing Director of the International Monetary Fund, who forecast that their deficits would be "of the order of \$40bn in 1979," compared with \$31bn in 1978.

The external debt of these countries he said had already reached 27 per cent of gross domestic product in 1978 and their debt service ratios were now over 12 per cent.

The European Community continued to reply to spicing from various directions. Responding to critics of the Community's sugar policy, which has been accused of being a cause of low world prices, Mr. Claude Cheysson, European

Commissioner for Development, said the blame for "scandalously low" prices lay with "other industrial countries" and "speculation." He claimed that the sugar market was controlled by 10 companies, or less.

M. Cheysson denied that the EEC was by nature protectionist. Protectionism would be "suicidal" for the Community, he said. Though he admitted that there had been outbreaks of the "protectionist virus,"

A more optimistic note on the protectionism question came from M. Olivier Long, Secretary-General of GATT. Claiming credit for having in the past "helped raise the alarm" about protectionism, he said, he acknowledged that in the past year Government had "to a large extent resisted the calls made on them for new protective measures."

\$ undervalued—Matthoefer

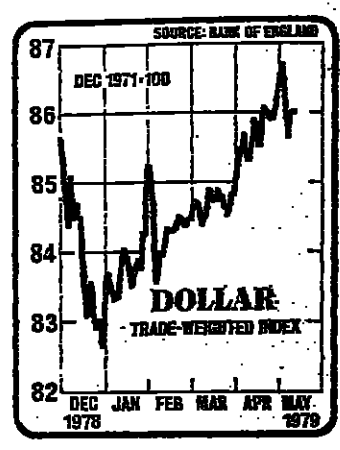
BY DAVID MARSH

THE U.S. dollar, at its present level of about DM1.90, is still somewhat undervalued in terms of its purchasing power against other currencies, according to Herr Hans Matthoefer, West Germany's Finance Minister.

As a result of the improvement in the U.S. current-account deficit, it would not be surprising if the dollar remained stable for a few more months, he told the Financial Times in an interview in London.

Herr Matthoefer was speaking before resuming talks with the British Government, in which he is accompanying Chancellor Helmut Schmidt during a regular round of Anglo-German discussions.

Conditions also looked stable within the European Monetary System, where the Deutsche Mark is at present among the weakest currencies, the Minister added. The two currencies at the top of the system, the Italian lira and the Danish krone, were being bolstered by high interest rates.



THE relative weakness of the Deutsche Mark has been one of the reasons for rising inflation in Germany, where the annual rate of price increases has now reached 3.5 per cent of this; 0.8 per cent was due to the oil price rise.

The main aim of the Government and Bundesbank was to prevent companies using the oil price increase as an excuse to pass on higher than necessary price rises.

The plan formally agreed with the Bundesbank last week, under which the central bank will finance a stockpile in Germany of strategic metals like chrome, manganese and cobalt, would not involve any direct use of the bank's currency reserves and so would not lead to any increase in German liquidity.

Concerning international discussions on a multilateral aid plan for Turkey, Herr Matthoefer said Germany was ready to play a large role as possible. The size of Germany's contribution would depend on the total amount that other industrialised countries were willing to put up.

But first, Turkey must reach an agreement with the IMF and alter its policies to ensure positive economic development in the long term.

Arms pact to be signed in Vienna

PRESIDENTS CARTER and Brezhnev will meet for three days in Vienna, beginning on June 15 to discuss the SALT treaty and to discuss other bilateral and international issues, French reports from Washington.

Vienna, site of the famous Kennedy-Khrushchev summit in 1961, was chosen, White House officials said, because a train journey there would not put undue strain on Mr. Brezhnev's health.

Although the SALT signing is seen as the centrepiece of the occasion, U.S. officials emphasised Mr. Carter's desire for talks on other issues, such as trade, the Middle East and Africa.

Mr. Carter may propose that the leaders commit themselves to a series of subsequent meetings. The last fully fledged American-Soviet summit was in 1974 when Mr. Nixon conferred with Mr. Brezhnev. The December, 1974, session between President Ford and Mr. Brezhnev in Vladivostok was largely limited to SALT.

Hua to visit Bonn

Chinese leader Hua Guofeng (Hua Kuo-Feng) will visit West Germany next October during his tour of major western European capitals, the German government said yesterday. AP reports from Bonn. Talks on the dates of his European trip are still underway, but the tentative schedule includes stops in London, Paris and Bonn.

EEC coal plan

The European Commission is to renew its attempt to increase coal consumption in the Common Market as a means to limiting dependence on imported coal and oil, Ray Perman writes. Dr. Guido Brunner, the EEC energy commissioner, said yesterday that a proposal to spend 220m units of account (€130m) supporting coal would be put to the Council of Energy Ministers, possibly next month.

Social Credit win

Premier Bill Bennett and his Social Credit Government were re-elected after a second confrontation with Mr. Dave Barrett, the New Democrat, in Thursday's British Columbia election, Victor Mackie writes from Ottawa. A polarised vote wiped Progressive Conservatives and Liberals from the 57-seat legislature.

China to free captives

The Chinese government, in an apparent attempt to enlist international sympathy in its conflict with Vietnam, announced yesterday that it would soon start to release Vietnamese prisoners taken in the recent border fighting, David Housego writes. Vice Foreign Minister Zhong Xidong (Chung Hsi-tung) also told a press conference in Peking that the fourth session of peace talks between the two countries would be held in Hanoi today.

Brazil turns to alcohol-run cars

BY DIANA SMITH IN RIO DE JANEIRO

GENERAL JOAO Baptista Figueiredo, Brazil's new President, has announced that from now on all official vehicles in Brasilia, Sao Paulo and Rio de Janeiro will run on alcohol.

Currently, Brazilian cars run on a mixture of 80 per cent petrol and 20 per cent sugar cane alcohol. While sugar cane abounds in Brazil, and Government incentives are producing new distilleries around the country, 85 per cent of the country's crude oil must be imported.

Last year, this cost \$4.5bn, a third of all imports. This year, after the OPEC price increases, the imported crude bill is expected to rise to \$5bn or more. Largely due to heavy foodstuff and oil imports, the trade balance plunged \$988m into the red in 1978; this year's deficit could be \$1.5bn.

For several months some smaller municipalities have been using pure sugar cane alcohol to run official cars, on an experimental basis. The experiments have proved successful: the cost of converting engines is not exorbitant at Cr5,000 (\$325m).

And, with heavy Government subsidies, alcohol is being sold at 12 U.S. cents a litre less than petrol.

Alcohol pumps have now been installed at service stations in major cities. Demand is still slack, apart from official cars. But it is expected to rise sharply once Volkswagen and Fiat, who hold 48 and 1 per cent respectively of the car sales market, introduce their new alcohol-run cars.

Although Brazil mastered the necessary technology some years ago, the car-alcohol programme has moved at a snail's

pace until fairly recently, hampered by the claim that alcohol was expensive to produce and led to unsatisfactory engine performance.

The mounting cost of imported oil and the painful teething troubles of domestic off-shore and onshore production, however, have begun to outweigh such arguments. Brazil Reuter reports from Buenos Aires: The Argentine military Government has produced a draft labour code designed to keep the country's once all-powerful unions out of politics.

El Salvador schools shut

BY HUGH O'SHAUGHNESSY, LATIN AMERICA CORRESPONDENT

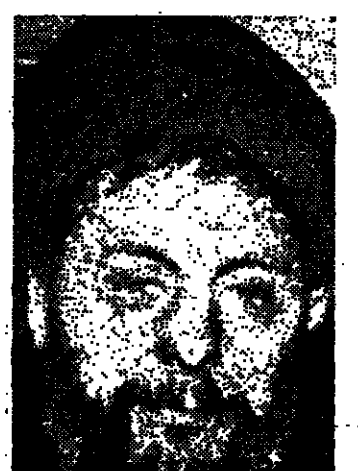
SCHOOLS AND universities in El Salvador have been ordered by the Government to stay shut until Monday for fear of demonstrations after Tuesday's shooting by government troops of 19 demonstrators on the steps of the cathedral in San Salvador. On Thursday shops and offices in the Salvadoran capital shut as 17 of the victims—including one

pregnant woman—were interred.

Sixteen armed members of the left-wing Popular Revolutionary Bloc (BPR) continued to occupy the French Embassy, where the envoy M. Michel Donnamme is reported to have rejected the chance of liberty if that meant leaving members of his staff in the hands of the BPR.

Spectre of the Imam haunts Islamic feast at Fez

BY OUR FOREIGN STAFF



Imam Moussa al Sadr

DELEGATES at the conference of Islamic foreign ministers at Fez, Morocco, yesterday took a break—on the Moslem day of rest—and attended the inauguration of a new dam at Oued al Mazhazine.

Today they must decide on vital resolutions relating to the Palestinian cause and Jerusalem. Already they have barred Egypt from the conference because of its bilateral peace treaty with Israel. But after the shibboleths and slogans have been aired, one murky issue will remain

unresolved. It relates to the missing—perhaps phantom—personality of the Imam Moussa al Sadr, Iranian-born chief of the Lebanese Shiite community.

For the past two weeks the issue of the disappearance last year of the Imam, who graduated from the faculty of theology at the Ayatollah Khomeini's own power base in Qom, has been the subject of a curious diplomatic quarrel between Iran and Libya. In the corridors, as it were, the issue is known to have been the subject of much discussion at Fez.

Moussa al Sadr went to Lebanon in 1960 to head the impoverished Shiite community of Lebanon.

Last summer the Imam disappeared—he has never been seen or heard of since. It is known that he visited Tripoli, but the Libyans say that he departed on a flight to Rome. The Italian authorities say that he never arrived at Fiumicino Airport—though they concede that someone carrying his passport may have passed through immigration control. In Tehran the phantom Imam

is now assumed to be dead. Iran under its Shiite regime now accuses the Libyan regime of jailing him incommunicado, or even of disposing of him altogether.

In Lebanon the Iranian revolution has given the Lebanese Shiite community a badly needed morale-boost. But the disappearance of their leader has deprived the community of the guidance of the man who was credited for revival of Shiite rights here.

Under Moussa al Sadr, the Shiite community established its

first communal council. He launched the movement of the Deprived "demanding equal rights for members of his community—politically economically and socially. He then went deeper into Lebanese politics when he set up a Shiite militia and called it Amal, which in Arabic means "hope."

It is believed that the money to finance "Amal" came from Libya. A total of 30m Lebanese pounds (about \$10m) was involved. The Libyans, according to the

story, provided the funds with the understanding Amal will stand firmly on the side of the guerrilla movement in the south against Israel and against Christian militias in the Beirut eastern suburbs, where a large Shiite community resided.

The Imam is reported to have angered the Libyans on two counts: he let Amal's militia men give up Shiite quarters in east Beirut, such as Nabaa and Karantina in 1976, and sided with the Syrians against the Palestinians that year.

Advertisement for Switzerland featuring a drawing of a mountain landscape with a lake and a boat. Text includes: "... it just has to be SWITZERLAND ... for those super quality holidays - for exhilarating fun and peaceful relaxation - for good food - for a wealth of art and culture - for refreshing walks, invigorating sports and rejuvenating spas - for successful business meetings - and for the low-cost Swiss Holiday Card offering unlimited travel on 5,600 miles of Switzerland's railways, boats and alpine postal coaches. Contact your Travel Agent or Swiss National Tourist Office, Swiss Centre, 1 New Coventry Street, London W1V 3HG Tel: 01-734.1921

UK NEWS

Pre-Budget spree by consumers slow to start

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE EXPECTED surge in consumer spending to beat possible Budget increases in duty and value-added tax has so far failed to materialise, retailers said yesterday. Although there were pockets of higher demand, most retailers felt that the Budget's expected date is still too far off for traditional pre-Budget spending to begin. It was also suggested that the later Budget—expected in early June instead of the more usual March or April—would upset usual trading patterns. With the peak holiday season approaching, for example, consumers may be less able to buy large durable items such as money for holidays. There seems little doubt, however, that consumer spending in general is recovering from the slow-down during the winter caused by strikes and bad weather. Statistics published earlier this week showed that sales in March were back to the level of last autumn. All the main department store chains, including John Lewis Partnership, Marks and Spencer, and British Home Stores, report sharp rises in sales over the past few weeks. But most retailers found it difficult to any marked sales surge because of fears of higher VAT. One important exception has been among electrical goods suppliers. Curry's, the electrical

Army file lost in the post

BY OUR BELFAST CORRESPONDENT

THE Ministry of Defence said yesterday that it was certain that the classified document acquired by the IRA was either lost or stolen while in the post and was not leaked to the Press. An intensive investigation is being carried out by the MoD and the Post Office. The way classified material is sent by registered post is to be reviewed immediately. Mr. Francis Pym, the Defence Secretary is aware of the inquiry and is keeping closely in touch with the developments. A statement from the ministry yesterday said that the document which was secret but not top secret, was sent by registered post. "Our preliminary departmental investigations do not suggest any breach of the rules for handling such matters," it said. Mr. John Taylor of the official Unionist Party said the report appeared to be particularly accurate. "I trust everyone notes that the present tactics used by the Army could not win the war against the IRA," he said. The Rev. Ian Paisley, leader of the Democratic Unionists, said the incident showed that army intelligence have been infiltrated in some way. Mr. Jim Kilfedder, Unionist MP for North Down, said the contents represented "a scandalous admission" by the army. It would be a major boost to the IRA. Mr. Gerry Fitt, leader of the Social Democratic and Labour

Party, said it confirmed his views that there was no military solution. He called for a fresh political initiative from the new Government. The report contains tables showing the IRA was acquiring weapons faster than the army recovered them. The IRA's armory was probably five times greater than officially estimated. The army must be prepared for the IRA to acquire, within the next five years, advanced weapon sights, anti-tank and anti-aircraft weapons like the Soviet-designed RPG 7 and SA 7 rockets and to use improved sniping techniques. The document said Provisional leadership was deeply committed to a long campaign of attrition. The IRA had the "dedication and the sinews of war to raise violence intermittently to at least the level of early 1978, certainly for the foreseeable future. It put Provisional strength at about 1,850 but said the middle levels of leadership was unstable. Communications were weak. The assessment said that under direct rule there would be a general atmosphere of political calm. Government policy would be principally one of containment and underlying problems would remain unsolved.

Coal-into-oil research given major boost

BRITAIN'S coal-into-oil research programme has been boosted by a major contract between the National Coal Board and consultants Matthew Hall Ortech of Manchester. The contract, worth £700,000, is for the design of two pilot plants with a coal input of around 25 tonnes a day which will evaluate processes developed by the coal board at Cheltenham. Tests indicate that these processes could offer a competitive conversion of coal-into-oil, giving Britain an important alternative to oil as it begins to run out. Matthew Hall Ortech will also handle a cost and design study for two commercial plants, with coal feed rates of 500 tonnes an hour. Earlier this year the Department of Energy and the NCB signed an agreement under which the Government will provide £800,000 towards the £1.5m cost of further coal-into-oil research. The NCB's scientists have found that it is possible to achieve yields of up to 50 gallons of petroleum spirit and 80 gallons of other fractions from one tonne of coal, and they are to research whether this can be repeated in pilot plants and ultimately on a fully commercial scale. The yields are much greater than those which Sasol has obtained. Sasol uses well-established technology to produce oil from coal in South Africa. One of the processes to be investigated will use solvent properties of supercritical gases to produce an extract for hydrogenation. The other will use a liquid solvent in both cases the operation involves breaking down coal to produce a liquid similar to crude oil. The laboratory work indicates that both processes yield a fuel suitable for combustion engines or as feedstock for the chemical industry. The NCB's processes are apparently able to utilise a wide variety of coal grades in the UK and would not be limited to particular bands of coal quality. No decision has yet been made on location of the pilot plants which are likely to be built in about 18 months.

U.S. prize for medical work

SIR RICHARD DOLL, Regius Professor of Medicine at Oxford University, has been presented with a gold medal and £50,000 for his work on environmental causes of cancer. The award was made by General Motors Cancer Research Foundation in Washington, D.C.

Striking a blow for the half-penny

BY COLLEEN TOOMEY

HOWEVER DESPISED the half-penny coin may be by consumers, circulation exceeds 2bn and the Royal Mint continues to produce more coins. Nearly 94m new half-penny coins were struck last year—a decrease in 1977's 223m, but many of those coins are still in circulation. Valued highly by the grocery trade, 79 per cent of 10,000 grocery items in UK stores are priced with an added half-penny. The increased numbers of gas

and electricity meters taking 50p pieces resulted in a big production increase of these coins from 27m in 1977 to 97.4m last year. A total of 1.57bn coins were produced by the Royal Mint last year, over 52 per cent for overseas governments. This makes it the biggest coin exporter in the Western world, accounting for 75 per cent of all exports. The Mint also struck 84,736 medals during the year, including the Westminster Abbey medal to mark the 25th anniversary of the Queen's coronation, the Tower of London 900th anniversary medal and the Sir Isaac Newton medal. Yesterday's production announcement coincided with the annual "Verdict of the Trial of the Pyx" which ensures that UK gold, silver and cupro-nickel coins have been produced to the standards of weight, diameter and composition prescribed by law. Results will be made public today.

'Political bankruptcy' threat to the West

BY DAVID FREUD

IF PUBLIC spending in the West continues to increase faster than economic output, governments will become politically bankrupt, according to Professor Richard Rose of Strathclyde University. At an Institute of Fiscal Studies lecture in London yesterday he said that in Britain the increase in public spending threatened to consume all the gains of economic growth. "As and when this happens, take-home pay must fall," he added. And if governments stuck to their spending commitments, even though increased taxes to pay for them led to falling real wages, people would increasingly ignore government wishes. Among symptoms of the Government's political bankruptcy would be increased barriers and tax evasion and avoidance, as people decided to look after their own interests. The only way governments could prevent the drift to political bankruptcy was to put brakes on future spending by restricting increases in things like pensions, teachers' salaries and health service spending.

Land and building sales reached £19bn last year

THE VALUE of sales of land and buildings in England and Wales in 1978 reached nearly £19bn, according to Inland Revenue figures. The 1978 total compares with £12bn in 1973 and £10bn in 1974, the last years for which comparable figures are available. Much of the increase reflects rising house prices. The Inland Revenue says the value of residential property sold in England and Wales last year totalled £15.25bn against £12.5bn in the previous twelve months. Non-residential sales were worth £3.75bn against £2.61bn a year earlier. IR figures show that from December 1976 to December 1977 both the number and value of residential property transactions increased in all regions. For non-residential property, there was a value increase in each area except the north-west. A survey conducted during one week in November 1977 showed that 20 per cent of residential sales and 30 per cent of commercial transactions related to leasehold properties. Most residential leasehold properties were below £15,000. About 80 per cent of commercial leasehold properties sold had leases with less than 35 years to run. This compared with about 10 per cent for residential property. Stamp Duty on land and building sales raised £356m during 1977-78. Individuals paid 64 per cent, property companies 10 per cent, other companies 11 per cent, local authorities 2 per cent, and other financial bodies 12 per cent. Residential property sales below £15,000 declined from 88 per cent of total transactions in 1973 to 77 per cent at the end of 1977. Thames TV drama chief MR. JOHN FRANKAU will become controller of drama for Thames Television in July. He succeeds Miss Verity Lambert, who has been chief executive and creative controller of Thames's film-making subsidiary, Euston Films, since January. After Mr. Frankau joins the company, Miss Lambert will devote all her time to Euston films. Mr. Frankau who began his career in television in 1955 as a BBC floor manager, is producer and director of London Weekend's series Kids.

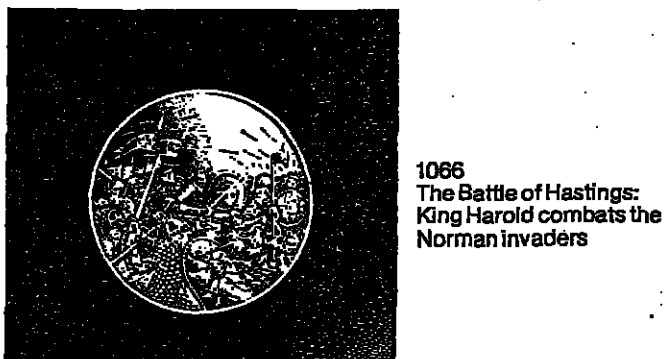
Fewer ex-servicemen register for jobs

BY LISA WOOD

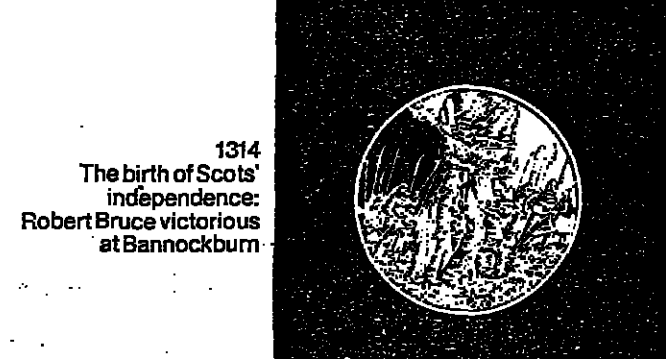
FEWER EX-SERVICEMEN registered with the Regular Forces Employment Association in 1978 than in the previous year. About 8,700 ex-Regulars registered with the association last year compared with 9,590, and a slightly greater proportion were placed in employment, 63 per cent against 62 per cent in 1977. This was disclosed yesterday in the 1978 annual report of the association, by Admiral Sir Desmond Dreyer, the president. A major factor in the fall in registrations was said to be the increase in the contacts servicemen made, with potential employers while still in the Forces, through resettlement advice courses and briefings. The association said that an encouraging trend was a reduction in the number of ex-Regulars registered as unemployed for more than six months. On September 30 numbers were down to 548, against 748 at the same time in 1977. This showed, said the association, that the qualities of the regular serviceman or woman were well appreciated by industry. "I am told by the officers of this court that if I committed an offence in this district today, which I am not contemplating, it would be a matter of weeks or months before I was dealt with. "We must make up our minds to get rid of these arrears in our courts. I mean to make it my business if I can and with your help, to bring it down."

Hailsham pledge on lists

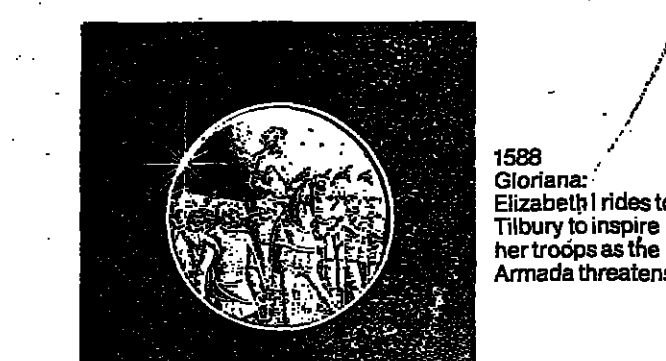
LORD HAILSHAM, the Lord Chancellor, pledged himself yesterday to "getting rid of" court waiting lists. Opening a new extension and modernised court buildings in Uxbridge, he said: "One of the reasons why law and order is in such a bad state is because of these arrears. They have reached an unacceptable state."



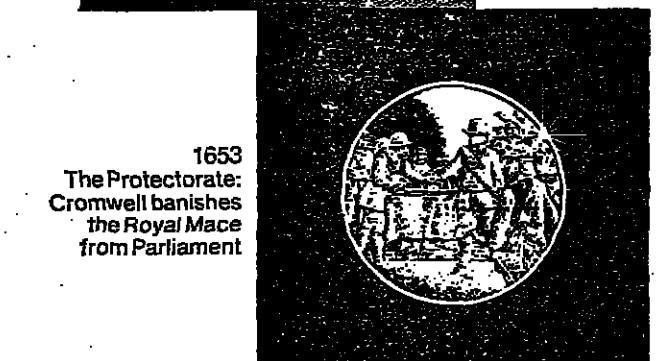
1066 The Battle of Hastings: King Harold combats the Norman invaders



1314 The birth of Scots' independence: Robert Bruce victorious at Bannockburn



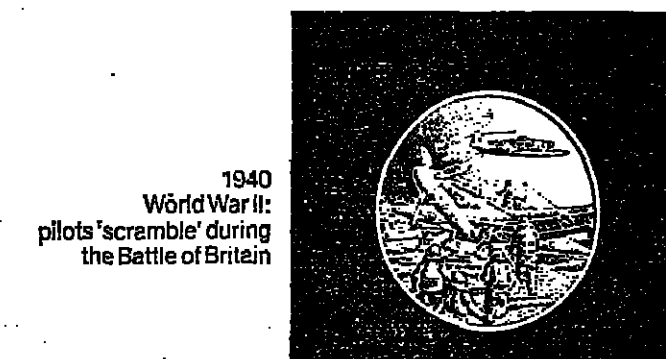
1588 Gloriana: Elizabeth I rides to Tilbury to inspire her troops as the Armada threatens



1653 The Protectorate: Cromwell banishes the Royal Mace from Parliament



1805 Our great naval hero: Nelson on the deck of 'Victory' before Trafalgar



1940 World War II: pilots 'scramble' during the Battle of Britain

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The stirring history of our nation in 100 works of enduring medallic art. Portraying the greatest people, places and events of every age, as selected by a distinguished Board of Advisers. Unique and strictly limited First Edition. In Proof quality sterling silver or gold on silver. Subscription rolls close 31st May, 1979.

We British are born with a sense of history. For our heritage is rich with momentous events. Heroic battles. Coronations of unparalleled splendour. Daring voyages of discovery. Triumphs of inventive genius. The resolute defence of freedom, culminating in the 'finest hour' of 1940. A brilliant record of achievements—often against odds that would have overwhelmed a people of lesser spirit. Fittingly, then, the story of our extraordinary island race has been set down in a hundred different ways... painstakingly inscribed in illuminated manuscripts... woven in glowing tapestries... written in the books of famous men... and chiselled into marble monuments built to last a thousand years. And now, this centuries-old tradition has inspired the creation of The Medallic History of Britain. A chronicle, in 100 medals, of British history—from the birth of our nation to the present day. A collection of astonishing range and scope.

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A collection for our own generation—and for those yet to come Combining as it does flawless Proof minting and the scholarship upon which the entire collection is based, The Medallic History of Britain is a definitive collection—standing alone in the field of medallic art. A collection not simply for the present generation but one that will be treasured, just as much and more, by those yet to come. Collectors are invited to acquire the First Edition of The Medallic History of Britain by sending the subscription application, to Franklin Mint Limited. But please note that this application is valid only if postmarked by the final closing date for subscriptions: 31st May, 1979.



Subscription Application form for The Medallic History of Britain, including fields for name, address, and payment options.

Medals shown actual size: 32mm in diameter, Weight: 12.3 grammes.

UK NEWS

LABOUR N

Top accounting firms hold merger talks

BY MICHAEL LAFFERTY

ARTHUR ANDERSEN and Tansley Witt, two of Britain's leading accounting firms, are holding merger discussions.

The revelation that Tansley Witt is holding these discussions is regarded within the profession as an indication that the UK firm is dissatisfied with the existing Alexander Grant Tansley Witt international grouping to which it belongs.

Apart from Tansley Witt, the group comprises Alexander Grant, one of the largest accounting firms in the U.S. outside the big eight, Hungerfords, one of the largest accounting firms in Australia, and Jarrett Gould and Elliott of Canada.

In Europe the group includes significant national firms such as Beratungs-und Prüfungs-Union of Germany, Société Technique de Révisions et d'Etudes Compétables of France, Revisionsfirmaet E. Lundgaard Andersen of Denmark, and Fiduciare Generale de Luxembourg, the largest accounting firm in the principality.

City accountants were describing the possibility of a link between the two firms as a takeover by Arthur Andersen.

Throughout the world Arthur Andersen is regarded as the most centralised and possibly the most competitive of all the big accounting firms.

Among Tansley Witt's biggest clients are names like Cadbury Arthur Young's, News International, William Press, Michelin Tyre, Charles Fulton, Collet Dickinson Pearce, and Senior Engineering.

Tansley Witt recently lost the joint audit of Sotheby Parke Bernet to Deloitte, Charringtons another major client, has been taken over by the Coalgate Group, while another client, Edinburgh Industrial Holdings is in liquidation.

A statement from Arthur Andersen last night said: "We confirm that there have been some discussions between the British partnership of Arthur Andersen and the partners of Tansley Witt. The discussions are continuing. They are at a preliminary stage and there are no similar discussions going on anywhere else. Any further comment would be speculative."

THE FUTURE of the Price Commission is expected to be announced next week in the Queen's Speech and the decision is likely to mean the end of the Commission in its present form.

But there are conflicting views within the Government as to the best way to wind it up. Although the Government's intention has not been made clear soon enough for some industrialists, there has never been any real doubt that a Conservative Government would keep in existence a body described by Tory leaders as "a Mafia-like star chamber."

Mr. John Nott, the Trade Secretary, and Mrs. Sally Oppenheim, Minister for Consumer Affairs, have put up different options. The most likely move would be to link parts of the commission with the Office of Fair Trading, perhaps renaming it the Office of Prices and Fair Trading. Alternatively, the Price Commission may be merged with the Monopolies Commission. This option seems unlikely since it appeared in the Labour Party manifesto.

Cabinet conflict on prices body

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

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Special advisers for Treasury

By Peter Riddell, Economics Correspondent

A STRONG team of special advisers has been appointed to support Sir Geoffrey Howe, the new Chancellor of the Exchequer, and the other Treasury ministers.

Mr. Adam Ridley, one of the main architects of Conservative economic thinking in opposition, has been appointed a special adviser to Sir Geoffrey at the Treasury.

In addition Mr. Peter Cropper, a tax expert, will act as a special adviser to Mr. John Biffen, the Chief Secretary to the Treasury and Mr. George Cardona, a public expenditure specialist, will also be an adviser.

All three have been closely involved in the preparation of Tory economic plans in the last few years. Members of the team have already started to have detailed discussions with Treasury officials about the implementation of Conservative proposals.

Mr. Denis Healey, the last Chancellor, had one special adviser, Mr. Derek Scott, an economist. He was particularly concerned with political and trade union liaison, notably on pay policy.

The key member of the new Tory team is Mr. Ridley. Aged 36 he was an economist in Whitehall before becoming one of the founder members of the Think Tank (the Central Policy Review Staff) in 1971. After 1974 he was appointed economic adviser to the Conservative Shadow Cabinet with special responsibilities to the leader and was assistant director of the Conservative Research Department from 1974 to 1979.

Mr. Ridley has throughout the period been involved both in day-to-day advice and in the longer-term development of Tory economic strategy. His close knowledge of Whitehall will give him an obvious advantage in the hard bargaining in the forthcoming public spending review.

Mr. Cropper, aged 51, has worked in the City as a stockbroker and since 1975 has been responsible for taxation policy at the Research Department, working with Sir Geoffrey and Lord Cockfield, the new Minister of State at the Treasury.

£5m ferry scheme at Ramsgate

By Ian Hargreaves, Shipping Correspondent

A £5m extension to the Ramsgate, Kent, ferry terminal is to be built to accommodate a new cross-Channel service to Dunkirk.

Olau Line A/S of Denmark and the Thanet District Council will share the costs evenly.

Mr. Ian Gill, the council's chief executive, said the development was a major step in the area's economic expansion.

The plan involves reclaiming 20 acres of land, building a new harbour wall and dredging work to make the port useable 24-hours a day. It is hoped that the Olau service will start next spring, using the Olau-Kent, a ferry with capacity for 960 passengers and 260 cars.

The ferry is now in the Olau Line UK service between Sheerness and Flushing. Olau Line UK is owned 50 per cent by Olau Line of Denmark and 50 per cent by TT Line of West Germany.

Mr. Gill said that eventually it would be possible to increase facilities at Ramsgate from one to three berths. At present, the tidal port is used only for a small volume of freight business. Olau Line already owns port equipment and has access to facilities in Dunkirk.

PhD accounting scholarships

TWO PhD scholarships in accounting are being offered by Thomson McLintock and Co., chartered accountants.

The scholarships are worth £7,500 over three years as well as all fees at the University of Glasgow.

The company said it was pleased to play a practical part in research at the university.

Further Bass price rise allowed

BY OUR CONSUMER AFFAIRS CORRESPONDENT

THE PRICE COMMISSION yesterday allowed Bass a further interim price rise which is likely to mean an extra 1p on a pint of beer.

The increase means the commission has now allowed nearly the whole 3p per pint rise which Bass sought but which had been held back by the commission. Whitbread, which had also had its prices restricted by the commission, was last week allowed another price rise to bring it up to the full 3p per pint sought.

Yesterday's announcement by the commission was for increases of 2.01 per cent on the wholesale price charged by Bass for its own beers and 2.88 per cent on beer in its managed houses. Bass has therefore still not received the full 7.94 per cent originally sought on wholesale prices, but only 6.27 per cent. It has received the full amount sought on beer prices in managed houses.

It seems likely, however, that Bass will decide to put 1p on the price of most of its beers, both wholesale and in managed houses.

Beer production in March was 3 per cent higher than last year, but the overall increases for the first quarter was only 0.1 per cent. Production in March was 3.5m barrels.

The Brewers' Society said yesterday that the March figure balanced the poor showing in January which was due to the bad weather and industrial disputes. March also saw some stock-piling in anticipation of the then expected budget.

It emerged last night that Grand Metropolitan, which owns Watney, was buying public houses and licensed taverns from EMI for £1.5m in cash. The deal would mark the withdrawal of EMI from a small part of its operations.

Scheme to bring back salmon to the Thames

BY COLLEEN TOOMEY

MORE THAN 50,000 baby salmon will be released into the Thames this month as the first step in a £500,000 rehabilitation scheme.

The Thames Water Authority, who are backing the 22-year scheme, hope that by 1982 mature breeding salmon will return to the river. The last true Thames salmon was caught in 1833 although some have appeared since while attempting to cross the estuary.

Fifteen years ago the Thames was regarded as "dead." During Victorian times the sewerage scheme was so appalling that the House of Commons hung disinfectant-soaked sheets across the windows to avoid the stench. Today, 97 species of fish exist in the London area of the river.

The authority's senior fisheries officer, Mr. Michael Bullied, yesterday said the authority hoped to re-establish the salmon's breeding cycle. Salmon brought from the north of Scotland to the authority's fish farm at Kempton Park will, on May 24, be transferred by land rover trailer into ten Thames tributaries, including the Surrey Estuary at Chobham.

In spite of fears by some Thames anglers that fishing charges will increase with the advent of mature salmon, there is at least some comfort to be gained: the Port of London Authority has offered £500 prize money for the first Thames salmon taken on rod and line.

Drive to boost sales of white Bordeaux

By Our Commodities Editor

A CAMPAIGN to boost sales of Bordeaux dry white wines in Britain was launched yesterday by the Bordeaux wine growers' cooperative.

It is claimed that despite a poor crop in 1978, and a disastrous year in 1977, there were more than adequate supplies to meet likely demand. The danger period for frost this year is nearly ended with very little damage, despite the cold winter.

Prices are described as "reasonable," ranging between £1.50 and £2 a bottle in the UK, about 10 per cent up on last year, against much higher increases for other wines. Bordeaux is best known for its red wines, but it is also a major supplier of white wines to Britain, especially medium and sweet brands. Growers have noted a trend toward dry white wines, and are anxious that Bordeaux brands should become better known, to retain their share of sales.

Meetings in public on accounting standards

By Michael Lafferty

THE ACCOUNTING Standards Committee, the rule-making body on UK accounting matters, called a series of public meetings to discuss its own future.

The move follows the publication last September of a discussion paper about the future of standard-setting in accounting. The paper attracted many comments, including 126 written submissions from interested parties.

The committee believes that public meetings should now be held to give members an opportunity to gain a fuller understanding of written submissions.

Rapid

The public hearings will be held on Thursday, July 5 in Glasgow; Wednesday, July 11 in Dublin and Thursday, July 19 in London. The London hearing will continue, if necessary, into July 20.

As a general rule, the Accounting Standards Committee will only accept requests to speak from those who have made written submissions on the consultative document. Those wishing to speak are asked to notify the committee's secretary at PO Box 433, Chartered Accountants' Hall, Moorgate Place, London EC2P 3BJ not later than June 8.

'Electric cars in use in 10 years'

CARS POWERED by tiny fuel cells similar to those in the American Apollo spacecraft could be on the roads in 10 years, say scientists at Leeds University.

The scientists claim to be on the brink of discovering an answer to the world's fuel crisis. Dr. Arthur Howe, 36, and Dr. Mark Shilton, 27, in the Department of Inorganic and Structural Chemistry, believe they have discovered a substance which goes a long way towards providing a new material for fuel cells.

Submissions

The university said yesterday: "The discovery will undoubtedly help researchers in many parts of the world, and progress in this field is now likely to be very rapid."

The cells, using a material known as EUP (hydrogen uranyl phosphate) could be produced cheaply and would make petrol unnecessary in a car.

"It would be more expensive to run than an oil-powered car, but at least it would be there. Australian-born Dr. Howe said. He added that the type of electric motor that would be powered by a fuel cell would have 20 times the life of a combustion engine. It would be almost silent, pollution-free, and would not cost much to maintain.



Hear no evil, see no evil... Mrs. Thatcher and Herr Schmidt, the German Chancellor, at a Press Conference in Millbank Tower, London, yesterday.

Insurance companies call for 'stock relief'

BY ERIC SHORT

SIR GEOFFREY HOWE, the Chancellor has been urged to give a "stock relief" to the financial sector by Mr. Ron Peet, chairman of the British Insurance Association and chief executive of Legal and General Assurance.

This is one of the BIA's main points in its pre-Budget representations on matters affecting the insurance industry.

Mr. Peet says that profits on conventional accounting bases make insufficient allowance for the cost of maintaining a business during periods of inflation. This deficiency is recognised as far as industry is concerned by permitting stock relief, and an extension to the financial sector would enable them to preserve the same real level of business in an inflationary period. The BIA also calls for three other major changes and several minor changes to be included in the Budget. It urges the Government to scrap the prices code quickly in order to encourage investment and expand capacity.

It seeks the abolition of the surcharge on employers' National Insurance contributions, which it claims adversely affects the insurance industry's international competitiveness. It urges the Government to repeal legislation which has brought the prospect of all private development land being taken into public ownership. It believes that the combined effect of the Community Land Act and Development Land Tax has inhibited the availability of land for development.

Race relations chief seeks Tory pledge of reforms

BY PAUL TAYLOR

THE GOVERNMENT was yesterday urged to include in the Queen's Speech a commitment to improve race relations and a promise to review the law on public order and freedom of speech. The request came from Mr. David Lane, chairman of the Commission for Racial Equality.

In a speech to Leicester Council for Community Relations, Mr. Lane said the Commission wanted to see in the Queen's Speech an assurance of "full-hearted support" and a commitment to positive work for the improvement of race relations.

Mr. Lane said that the task of resolving tensions and healing divisions had rightly been emphasised during and after the General Election as "one of the Government's overriding tasks."

An important part of the task would be the process of tackling the discrimination and disadvantage suffered by ethnic minorities.

Mr. Lane gave a warning that Britain could never be one nation without racial justice and racial harmony. "Leadership and example by the Government are vital," he said.

While the National Front had been "well trowned" at the election box, showing that the British people rejected the politics of racialism, Mr. Lane said that the Front's activities in the General Election campaign led to several outbreaks of violence.

Particularly deplorable were the events in Southall, gross provocation by the National Front, attacks on the police by protesters and overreaction by the police," said Mr. Lane. These events had "gravely damaged" the relationship between the Asian community and the police.

In the light of recent experiences at Southall, Leicester and elsewhere the Government and Parliament should urgently review the Public Order Act and the Representation of the People Act, Mr. Lane said.

£5m ferry scheme at Ramsgate

By Ian Hargreaves, Shipping Correspondent

A £5m extension to the Ramsgate, Kent, ferry terminal is to be built to accommodate a new cross-Channel service to Dunkirk.

PhD accounting scholarships

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The company said it was pleased to play a practical part in research at the university.

Energy adviser

Mr. Michael Portillo, 25, has been appointed adviser to the Secretary of State for Energy.

Since 1976 he has worked on energy subjects at the Conservative Research Department. He was educated at Peterhouse, Cambridge.

New chancellor for university

DR. GORDON HOBDAY, the new Chancellor of the University of Nottingham, will be installed today.

Dr. Hobday, chairman of the Boots Company, graduated from the old University College, Nottingham and has been a member of the university council since 1968.

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Union chiefs a 10% postmen?

BY PHILIP BASSETT AND NICK GARNETT

AN INTERIM pay deal worth about 10 per cent for postmen and sorters has been accepted by the executive of the Union of Post Office Workers. The deal has to be endorsed by the union's annual conference, starting at the end of next week.

After that the executive will seek discussions with the Post Office Board for further pay improvements during the present wage round. The talks will centre on the union's intention of securing higher pay changes in consolidation and a change in the settlement date from January to July.

Union negotiators have also told the Post Office that a final deal for postmen must take into account the size of a settlement achieved with its telecommunications staff.

Telecommunications staff have not been given an offer which would give some groups rises averaging 17 1/2 per cent over 15 months. But six unions representing 200,000 telecommunications workers decided yesterday that their offer was unsatisfactory.

NALGO seeks 15% rise for 500,000 staff

BY ALAN PIKE, LABOUR CORRESPONDENT

DELEGATES representing 500,000 white collar local government staff yesterday decided to submit a 15 per cent claim in one of the last big negotiations of the annual pay round.

The claim, due for settlement on July 1, also seeks a 35-hour week and longer holidays. On pay it seeks a £60 per week minimum to protect lower paid staff.

Delegates at yesterday's conference were persuaded to keep their target, warning of impossible demands around the plan to bring in into difficult Mr. Michu of the NAT, ment commit that this Gov. to have a approach low ing than the

Methven plea for s in industrial legisla

BY OUR LABOUR CORRESPONDENT

INDUSTRY DID not want an industrial relations legislation upheaval as a result of the change of Government, Sir John Methven, director general of the Confederation of British Industry, told the Industrial and Commercial Techniques conference in London yesterday.

"The only confrontation we need is the confrontation of some very real industrial problems with constructive ideas, a spirit of goodwill, a respect for democracy and a sense of the national interest."

First there must be proper consultation and the new Government ideas with the CBI. Sir John where change most impor shop and pic exist at all. operate with for all and for don't at the. Lawful pic struck to en and their un and limited the employe in the disput

Overtime ban at B by 8,000 foremen

THE 8,000 FOREMEN at BL's 34 car plants have begun a company-wide overtime ban.

This action follows what they regard as the company's refusal to pay new overtime and night-shift rates which are being paid to the manual workers and some office staff.

Mr. Leo Benning, a foreman at Pressed Steel Fisher, Cowley, who is chairman of the factory branch of the Association of Scientific, Technical and

Benn calls for mass to unions at Times

BY MAX WILKINSON

MR. ANTHONY WEDGWOOD has issued a call to trade unionists throughout Britain to help in the fight against 'Times Newspapers' attempt to introduce new work-agreements for its print workers.

Mr. Benn's call, couched in the language of the trade union Left, was published shortly after his announcement that he would not serve in Mr. Callaghan's Shadow Cabinet.

Commenting on the opposition by some groups of Times workers to management proposals, Mr. Benn says: "What we are seeing is a fight to the finish between the foreign multinational determined to defend its wealth and power and British workers who are defending their profession, and Press freedom. In that struggle none of us dare to be neutral, for if the Thomson Organisation (owner of the Times) wins, there will follow an even wider and more prolonged attack upon those in every industry in Britain who look to the trade unions to defend their jobs and living standards."

Nowhere in the United States is there a city that has as much to offer as Los Angeles does... and nowhere in Los Angeles does a hotel offer as much as the Beverly Wilshire—a grand-luxe hotel with epicurean service and facilities. Beverly Hills, California 90212. Reservations—London: 014-233345. Fax: 233345. Telex: 638-220. Represented by IRI-The Leading Hotels of the World. Member of the Preferred Hotels Association.

Handwritten signature or stamp at the bottom of the page.

THE WEEK IN THE MARKETS

Not much of a honeymoon

The stockmarket has not given Mrs Thatcher much of a honeymoon. It has not even been content to drift sideways towards the budget but has gone into a dive before its recovery yesterday. The FT 30 share index had fallen 25 points in three days, and gits were off by up to £3 against the background of a weakening pound.

Much of the fall can be put down to technical factors. Speculative money which had been riding in equities, and in the partly-paid gilt-edged stock, over the election period, has this week been trying to get out. But there have also been fundamental problems. It was only to have been expected that the market should examine the background to rather more critically than during the election campaign, but a uniformly grim set of statistics has darkened the picture considerably. Jumps in wholesale and retail prices, a continuing rising trend in government borrowing and signs that the money supply is running above target all suggest upward pressure on interest rates.

Stores waver

Some evidence that share prices have been overreaching themselves recently was presented by the reaction to Sainsbury's profits during the week. Good though they were, the shares dropped 23p to 345p and have since fallen a further 5p.

Sainsbury climbed 18 per cent to £32.7m pre-tax while volume sales advanced by 16 per cent. Net margins slipped only a fraction to 3.16 per cent which can only be viewed as a very creditable performance when the effects of the transport strike and a fierce winter are taken into account. The current year has apparently started well and the group plans to expand its selling area by 30 per cent over the next three years.

The response to a brace of impressive figures from Marks and Spencer was

LONDON ONLOOKER

have been less harsh by comparison but it was nonetheless muted. Sears improved pre-tax profits by 39 per cent to £91m and something comfortably over £100m must be expected over this year. The shares dipped 1 1/2p to 58 1/2p where they still stand. Footwear retailing was primarily responsible for the advance where trading profits increased by a third to £38.8m. Loss elimination in the U.S. and in engineering also helped as did a very strong contribution from the William Hill

bookmaking chain. Selfridges reflected the declining number of tourists to London and was the only division to suffer a profit shortfall.

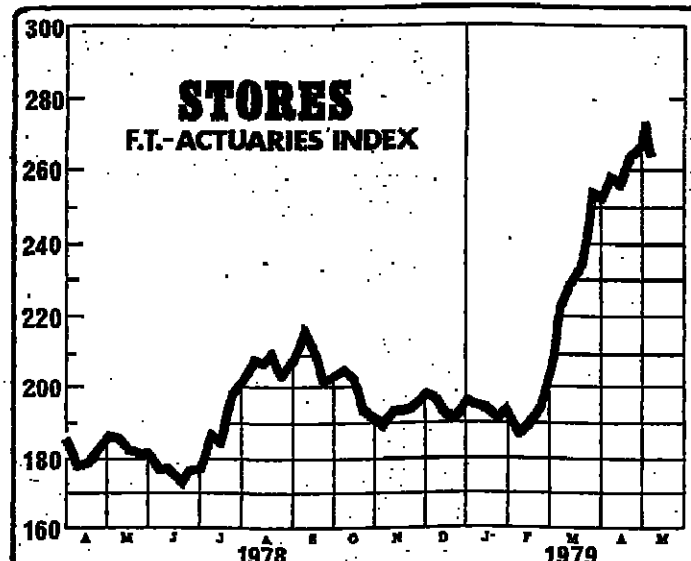
No such inhibitions at Marks and Spencer where a UK pre-tax rise of a third to £163.8m on a 20 per cent sales increase was accompanied by a recovery in net margins to 12 per cent. Again, the final quarter suffered the effects of the haulage dispute and the freeze-up but the group still managed an overall turnover improvement of 21 per cent in clothing and a gain of 18 per cent on the food side.

Canadian operations remained in deficit although the absence of reorganisation costs of £1.6m should be enough to produce a profit this year and Europe is expected to build on the £2.8m turnaround to profits last year of £1.1m. The shares, however, dropped 3p to 128p on the results and have subsequently fallen back to 124p. But the shares are on a p/e of around 19 at this level and the sector has begun to see some switching from Marks and Spencer into British Home Stores.

BHS reported at the end of last month and promptly added 3p to 248p when, with the help of a reduction in low margin food emphasis, profits increased by 24 per cent before a £2m pension provision and increased depreciation charges.

Loss elimination in the U.S. and in engineering also helped as did a very strong contribution from the William Hill

fall in the share price to a level of around 270p suggests that the switching message has been received and understood.



Richard Costain was another company to disappoint the market with its 1978 results. But as pre-tax profits rose 30 per cent to £46.9m it seemed that the market had let its expectations get out of hand. Most of the leap in profits appears to have come from the Middle East, where major building and dredging work is nearing completion.

Costain's cash

The only worrying feature of Costain's figures was the order book, down to £525m from £700m last summer. Some of the drop is accounted for by the loss of Iranian work and the deconsolidation of the group's Nigerian subsidiary, but the most important feature is the failure up to now to replace the Middle East work. Costain is not too worried. For one thing, it is confident of finding some new work in the region—although it has not yet been officially announced, the group looks likely to land the Baghdad airport contract.

The group has always regarded the Middle Eastern bonanza as an opportunity unlikely to be repeated. It has used this work to build up a substantial pile of cash—probably around £90m at the end of 1978—with which to pursue other markets through acquisition. So far Costain has not allowed this money to go to its head—all it has done is nibble at Capital and Counties Properties, where it now holds 7 per cent.

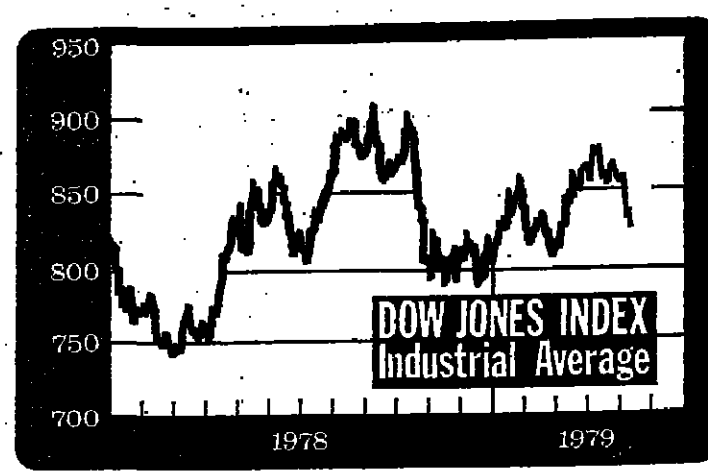
Investors have fought shy of Standard Chartered for many years because of its exposure to South Africa where the group's largest overseas subsidiary is located. The Union Bancorp purchase will reduce the reliance on this politically sensitive area and some 25 per cent of group assets are now located in North America.

Cultural shockwaves

IN THE LAST few weeks, U.S. stocks have provided marginally more entertainment than a man cleaning windows and somewhat less than a street vendor. The Dow Jones Industrial Average has ricocheted between 840 and 880 like an electronic tennis game and for most investors the only real excitement has come from discovering a takeover target in their portfolios.

However, in the last few sessions the market has made a break for lower ground and has dug down to the level of early March. Tight oil supplies and something of a cultural shock appear to be the key to this plunge. California is traditionally the supplier of cultural shocks to the American system but its latest product is a departure from the "alternate life styles" which are its usual speciality. The quality of life in the West has taken a serious turn for worse in the last week or so for a good many people have been filling their waking hours parked in queues outside petrol stations.

President Jimmy Carter and the oil companies agree on little else but they do save California. It is having a forecast of a shortage of oil in this coming summer. This is bewildering most Americans for there is no Arab oil embargo to explain a petrol shortage as



Bank last Friday raised its prime rate back to 11 1/2 per cent and the money supply, after more than four months of zero growth, is threatening to put its climbing boots back on.

Now none of these developments need come as any great surprise. The quietest money supply has long been an object of suspicion among economists who believe there are large sums of money invested in new debt instruments which are evading the Fed's counting machines. Moreover, interest rates have been threatening to climb with each step the economy has taken up the inflationary ladder and the only doubt has been when and how far they would rise. But from January until April the market chose to bask in the warmth of stable interest rates and to concentrate good corporate earnings results and major takeover situations rather than to peer too far into the future.

Recent economic developments are now forcing a change of focus and the resurrection of the eternal speculation as to when interest rates will peak and thus clear the way for a possibly genuine recovery in stock prices. Now the peaking of interest rates is as uncertain as when side President Carter will decide to part his hair when he gets up in the morning. The Fed appears to have the Administration's full backing to take interest rates as high as is necessary to get a grip on the inflation rate. Mr. Roger Altman, assistant secretary of the Treasury for domestic finance, was totally emphatic on this in a speech on Thursday. Drawing attention to the novelty of Democratic Administration taking a benign view of rising interest rates, he stressed that such is the government's determination to reduce inflation that if the Fed moves further "we will be supportive... that is testimony to our resolve on this matter."

The Administration needs resolve, effective policies and also good fortune if President Carter is not going to campaign for re-election next year with inflation running at around 10 per cent. His problem is that if it is lower it may be because the economy is in a recession which in turn will have increased unemployment. Mr. Altman's boss, Mr. Michael Blumenthal, the Treasury Secretary, this week interceded the Administration's official forecast of a 7.4 per cent rate of inflation for this year and thought it would more likely be 8 per cent but he saw no prospect of recession either, forecasting a real growth rate for the year of between 2 and 3 per cent.

High interest rates, high inflation and a relatively vigorous economy are not promising material for the stock market to weave into a sustained rally. With capital appreciation, most investors will be lucky to get an 8 per cent return from their stocks this year, which is why a large volume of private investors appear to be putting a large slice of their funds into money market investments where current yields are between 8 1/2 and 10 per cent. Optimists say that a good proportion of the more than \$20bn in these money market funds will eventually find its way into stocks when interest rates level off and start to fall. But such is the preoccupation with guaranteed yield these days that the lion's share could just as likely be switched into corporate and government bond funds where prices are currently depressed and where the potential for capital appreciation and confirmed yield would seem to be greater.

CLOSING PRICES	
Monday	833.42 -14.12
Tuesday	834.89 +1.47
Wednesday	838.62 +3.73
Thursday	828.92 -9.70

MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1979 High	1979 Low	
Ind. Ord. Index	532.8	-25.8	558.6	446.1	Profit-taking/lack of buyers
Govt. Secs. Index	73.79	+2.12	75.91	64.64	Disappointing economic pointers
Gold Mines Index	165.8	+8.0	183.8	129.9	Rise in bullion price
British Northrop	56	-13	72	56	Poor annual results
Chersonese	53	-13	67	47	Barlow group merger proposals
Costain	210	-16	226	144	Profits below estimates
Cullen's	152	+14	152	126	Speculative demand
Davenports' Brewery	118	-11	133	72	Interim profits downturn
Fairbairn Lawson	32	-6	68	31	Confirmation of sub's £1m loss
Kanumting	90	+10	95	66	Far Eastern buying
Lesney Products	57	-19	89	55	Poor annual results
Lloyds Scottish	130	-12	145	98	Disappointing interim figs.
Lonrho	74	-10	90	62	Bid for SUITs succeeds
Millets Leisure	184	+20	184	125	Sharp rise in earnings
Mothercare	174	-12	190	132	Disappointing results
Royal Insurance	298	-35	443	325	First-quarter profits setback
Sainsbury (L)	340	-28	370	223	Disappointing results
Standard Chartered	513	-22	535	430	Proposed £76m rights issue
Union Corpn.	387	+32	387	255	Strength of bullion and golds
Utd. Engineering	137	+14	137	87	Results/proposed scrip issue

U.K. INDICES

Average week to	11	May 4	April 27
Govt. Secs.	74.38	75.45	74.88
Fixed Interest	76.76	77.38	76.86
Indust. Ord.	538.4	549.0	546.1
Gold Mines	163.9	154.3	149.5
De. (Ex 5pm)	132.2	123.0	119.3
Dealings mks.	5,359	6,946	5,752

FT ACTUARIES

Capital Gds.	281.57	281.86	278.34
Consumer (Durable)	254.91	254.49	252.17
Cons. (Non-Durable)	262.81	263.70	261.82
Inds. Group	267.20	267.40	264.97
500-Share	301.09	302.29	299.56
Financial Gp.	214.92	217.05	212.58
All-Share	277.02	278.51	275.53
Red. Debs.	61.71	61.64	60.99

Standard Chartered

A number of large rights issues were believed to be waiting in the wings ahead of the general election and Standard Chartered was one of the most obvious candidates. Following its £180m purchase of Union Bancorp, its balance sheet ratios looked badly out of line. Consequently, this week's £76m rights issue was not a big surprise. It will improve the bank's capital ratios but even so they are still below the average for the London clearing banks.

Investors have fought shy of Standard Chartered for many years because of its exposure to South Africa where the group's largest overseas subsidiary is located. The Union Bancorp purchase will reduce the reliance on this politically sensitive area and some 25 per cent of group assets are now located in North America.

Why investment conditions favour the Save & Prosper Property Fund

With rents continuing to rise, capital values of commercial and industrial properties have been moving ahead. Rental growth has been particularly marked in shop properties—in some cases up by 30%—where increased spending has led to buoyant conditions. Rents of prime commercial properties in the City of London have also increased significantly.

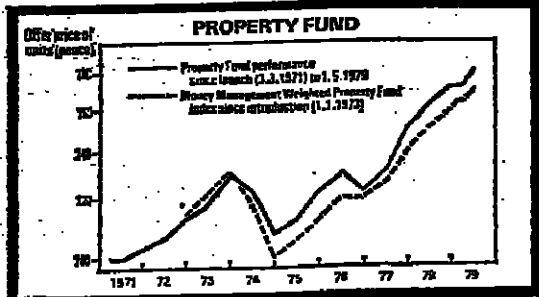
Given greater economic and political stability in the months ahead the outlook for further rental growth in these and other sectors of the property market is strongly enhanced. This should be of particular benefit to the Save & Prosper Property Fund which has 45% of its assets in prime shop properties and a further 30% in offices, including a substantial commitment in the City of London. Over the next three years 34 of the 61 properties held have rent reviews and this should lead to substantial increases in the income of the Fund.

Rental growth has also reinforced demand from insurance companies and pension funds for prime commercial and industrial property. Many investment managers are pursuing a policy of building up their property holdings to 20-25% of their assets—a figure that many private investors might also consider appropriate.

With institutional demand likely to remain strong, we believe that the Save & Prosper Property Fund currently offers an attractive investment opportunity.

Past performance

Since the launch in 1971 the Fund has performed well, showing an 81.6% increase in the offer price of units to 8th May 1979.



Investment policy

Our policy has always been to invest in medium-sized prime properties in carefully selected locations. Such properties are usually in demand when economic conditions are good, and they tend to remain marketable during difficult times.

ANALYSIS OF FUND BY TYPE OF PROPERTY						
	30%	30%	30%	10%		
	Shops	Offices	Industrial	Cash		
*Includes 7.5% development commitment.						
ANALYSIS OF RENT REVIEWS						
Type of property	Number	1979	1980	1981	1983	After
Shops	43	8	8	7	5	10
Offices	10	2	1	1	2	1
Industrial	8	2	2	2	1	1

The Fund now consists of 61 properties throughout Britain, and is currently valued at £37 million. The Fund's managers are advised by Healey & Baker who specialise in shop, office and industrial property throughout Britain. The Fund's Independent Valuers are Cluttons, Chartered Surveyors.

About Save & Prosper

Save & Prosper Group was founded in 1934 and in addition to being Britain's largest unit trust group is also a major force in life assurance, pensions and annuities. At 2nd April 1979 the group managed £1,000 million on behalf of some 700,000 investors.

5% p.a. free of tax at the time

If you invest £1,000 or more you can withdraw up to 5% of your initial investment each year for 20 years without giving rise to any liability to tax during the period. This is a feature of particular interest to higher-rate and additional-rate taxpayers. Further details on the tax position are given opposite. In using this facility you should bear in mind that any rate of withdrawal that exceeds the growth rate of your investment will result in a decline in the value of your investment.

How to invest

A lump-sum investment in the Fund is made through a single premium life insurance policy—the Save & Prosper Investment Bond. You can invest £250 or more (£1,000 if using the Withdrawal Facility) by purchasing a bond linked to the Property Fund. To invest now, simply complete and return the coupon, together with your cheque. Once your proposal has been accepted we will send you a policy document normally within ten days. The offer price of units in the Fund on 8th May 1979 was 181.6p. For details of regular investment please contact your usual adviser, one of our local branches, or Customer Services at the address in the coupon.

EVERYTHING ELSE YOU SHOULD KNOW

Unit pricing: The Property Fund is divided into units which are normally revalued fortnightly, though more frequent valuations can be made if necessary. The offer price is the price at which units are allocated to your Bond and the bid price is that which determines the cash-in value of your Bond. The number of units allocated to your Bond will depend on the offer price ruling on the day your application is received. All net income received by the fund is automatically reinvested to increase the value of units.

Automatic life insurance: Should you die while your Bond is in force, your dependants would receive between 100% and 200% of the bid value of the units then credited to your Bond. The actual percentage depends on your age at death, and this percentage is shown for sample ages in the table. A full table of rates is available on request. If you are in poor health when you purchase your Bond, we may have to quote you special terms, though the amount invested is not affected.

Charges: There is an initial management charge of 2% plus a rounding adjustment (not exceeding the lower of 1p or 1%) which is included in the offer price of units. There is also an annual charge of 1% of the value of the Fund to cover life insurance and administrative costs. The costs of property management, valuation and other expenses of the Fund, including buying and selling properties, are borne by the Fund. We also reserve the right to amend the policy benefits, if necessary, as the result of any levies payable under the Policyholders' Protection Act.

Current tax position: You have no personal liability to capital gains tax as this is allowed for in the price of units. Also you will have no personal liability to basic rate income tax in connection with your Bond, either while it is in force or when you cash it in. There is no liability to higher rate and/or additional rate tax if you are, or become liable to these taxes at a time in which you cash your Bond, or on your death. Withdrawal facility: Basic rate taxpayers will have no liability to income tax on any withdrawals. Higher rate and additional rate taxpayers may wish to draw up to 5% of their original investment each year for 20 years without giving rise to any liability to these rates of tax during the period. Such withdrawals will however, be taken into account in calculating any liability to these taxes when the Bond is eventually cashed in, or on death. Payments are made half-yearly on the last day of the month which is two months' notice being not less than two months after the purchase of your Bond. You may vary your withdrawal rate or discontinue withdrawals, subject to two months' notice being given.

Switching facility: At any time you may switch your investment from the Property Fund to one of our other Save & Prosper Group funds, at low cost, and without incurring any personal capital gains tax liability. Full details of this valuable facility are given in the booklet that is sent to you with your policy document.

Cashing in your Bond: You may cash in your Bond at any time and receive the full cash-in value based on the bid price ruling. However, we reserve the right to delay repayment or switching for a period not exceeding six months, in order to avoid any self-protection disadvantages. This right, which has never been exercised, would only be used in exceptional circumstances.

Proposal for an Investment Bond linked to **SAVE & PROSPER PROPERTY FUND**
 SAVE & PROSPER INSURANCE LTD, 4 GREAT ST. HELENS LONDON EC3P 3EP TEL: 01-554 8892

Registered in England No: 322228. Registered office as above.

7. Withdrawal facility. If this is required please indicate the percentage of your own investment which you wish to withdraw each year. (Minimum investment, £1,000.)

4% 5% 6% 7% 8%

I should like the first withdrawal facility payment to be made on the last day of (month) 1979 and thereafter (month) 1980 and half-yearly thereafter. (Not earlier than two months after the date of this application.)

This offer is not available to residents of the Republic of Ireland. Declarations I declare to the best of my knowledge and belief that I am in good health and that the answers to the foregoing questions whether in my handwriting or not are true and complete. I agree that this Proposal, together with any statement signed in the presence of the Company's medical officer, shall be the basis of the contract with Save & Prosper Insurance Limited. I consent to the Company's medical officer being consulted by any doctor who at any time has attended me, or seeking information from any life assurance office to which I have at any time made a proposal for life assurance, and I authorize the giving of such information.

Signature _____ Date _____

6. Name and address of your usual doctor _____

Agent's Stamp _____

SAVE & PROSPER GROUP

YOUR SAVINGS AND INVESTMENTS

Legal title to investments

BY OUR LEGAL STAFF

My mother, with whom I live, has an income tax rate of 25 per cent, whereas mine is such that I am liable to higher rate tax plus investment income surcharge. If I were to give her £2,000 and she was to invest the money in our joint names, would the total income arising belong to her or would the Tax Inspector seek to apportion half or all the income to me?

FINANCE AND THE FAMILY

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. Enquiries will be answered by post as soon as possible.

Retainer of a firm

When you employ a firm of solicitors to act for you, are you employing the firm or an individual solicitor? In my case, no action was taken because one partner had a long illness. Under English law any retainer which is not under the Legal Aid Act 1974 would be of the firm, not of an individual partner. Accordingly any failure to perform the contract of retainer with due diligence is answerable for by the firm, by all the partners for the time being.

No automatic vesting

I am co-executor with my mother of my father's will, under which my mother is the sole beneficiary, apart from a small legacy to myself. I am trying to administer the estate on a do-it-yourself basis, and am having difficulties in transferring shares to my mother, without paying stamp duty. A colleague advised me to perform the contract of retainer which I am putting on the market, sells for, say, £16,000? The price which the property fetches in the open market now will be attributed to the increase in market value since October 1977. There will thus be a capital gain, but no need to adjust the position as to any Capital Transfer Tax payable on the testator's death.

The question of who is legally entitled to investments (in joint names, or even in single names) is a question of fact, to be determined according to the available evidence including evidence of the parties' intentions at the time of the relevant transactions. If, therefore, you give your mother £2,000, with no stipulations, the money is hers and hers alone—and will form part of her estate. If, having received an outright gift of £2,000 from you, your mother bought shares which she registered in the joint names of herself and yourself, it could be presumed (subject to any evidence of her actual intentions) that she intended to give you a half-interest in the income whilst she lives and an absolute interest in the entire shareholding upon her death (with the proviso that ownership of the entire shareholding would revert to her if you should predecease her). On the other hand, the evidence available might be interpreted as indicating that the payment of £2,000 to your mother was in the nature of an interest-free loan, and that the registration of the shares in your name as well as hers was by way of security for the loan. You should bear in mind that the anti-avoidance legislation in the Income and Corporation Taxes Act 1970 might deem the income from the jointly-registered shareholding to be your own, even if legally it were your mother's.

Gift of a croft house

Under the new Crofting Act I have bought from the proprietor the ground (forming part of the croft) on which my house stands and he has made a disposition to me which is registered in the Edinburgh Court of Sessions. Could some arrangement be made whereby I could transfer the property to my daughter, who occupies the house, gradually by taking advantage of the £2,000 annual exemption from capital transfer tax? We suggest that you arrange to sell the house to your daughter (bearing in mind she might be a protected tenant) at market value. To finance this transaction you should guarantee a bank loan to your daughter of the sum of £2,000, or whatever the purchase price. Thereafter you should annually make a gift to your daughter of the sum of £2,000, or whatever exemption limit may be set by subsequent legislation for Capital Transfer Tax, which she can utilise to repay the bank loan and interest thereon.

A chargeable event

On April 21, under the above heading, you printed a letter in which a reader stated that he had a 1978-79 gain of £4,095 on a five-year income bond which had just matured. Your reply stated that no investment income surcharge would arise, on the assumption that the annuity contract was made before March 27, 1974, but that there would be an allowance clawback (at basic rate). Do I gather from your reply that where the contract is before March 27, 1974, income tax is chargeable but not investment income surcharge on the "chargeable event"? No, the reason that the reader whose question was published on April 21 had no investment income surcharge liability (as far as we could tell from the limited data) was that his potential surcharge liability would be nullified by top-slicing relief, under section 400 of the Income and Corporation Taxes Act 1970,

shares to your mother and pay stamp duty on them, since they will not vest automatically on an assent. Section 82 of the Companies Act will only suffice for the executor's interest, not for the transfer to the beneficiary. Stamp duty would be the ordinary ad valorem duty, not just 50 pence. We do not think that leaving the shares in the executor's names would be of any advantage in the long run.

Leases for seven years or more

With reference to your reply under Leases for seven years or more (April 14) do you consider that a lease for exactly seven years imports the landlords repairing covenants under Sections 32 and 33 of the Housing Act 1961? Section 33 of the Housing Act 1961 is in sufficiently clear terms. It provides that Section 32 applies to a lease granted after the passing of the Act "being a lease for a term of less than seven years." A seven year term is therefore not within the Statute.

No change in CTT liability

I was executor of a man who died in October, 1977, at which time his house was valued at £12,000 and constituted nearly the whole of his estate. Since then the exemption from capital transfer tax has been raised from £15,000 to £25,000. What happens therefore to the house which I am putting on the market, sells for, say, £16,000? The price which the property fetches in the open market now will be attributed to the increase in market value since October 1977. There will thus be a capital gain, but no need to adjust the position as to any Capital Transfer Tax payable on the testator's death.

as amended. Top-slicing relief does not extend to age-allowance clawback, unfortunately. Where the annuity contract was made before March 20, 1968 (and has not been significantly varied on or after that date) there is no tax liability on surrender. Where the annuity contract was made on or after March 20, 1968, but before March 27, 1974, the chargeable event carries potential charge to excess liability (i.e. investment income surcharge and the excess of higher-rate tax over basic rate) and/or age-allowance clawback. Where the annuity contract was made on or after March 27, 1974, the gain arising on the chargeable event is fully taxable (and top-slicing relief does not extend to the liability at basic rate or reduced rate). It is difficult to avoid ambiguity in necessarily brief answers to enquiries relating to complex anti-avoidance legislation.

CITY INVESTMENT experts I polled on the future of the dollar premium this week echoed the old saw that the only good government is a bad one in a hell of a fright. The consensus was that giving investors complete freedom to invest abroad would compound the already hair-raising problems for Chancellors of the Exchequer in keeping the pound on an even keel—but this would be no bad thing.

INVESTMENT

EAMONN FINGLETON

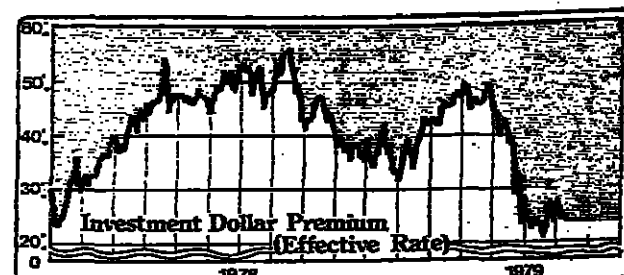
If investors had an unhindered path to the exits every time the economy was headed for trouble, the plunging exchange rate would force politi-

The future of the premium

cians to act more quickly to reverse mistaken economic policies. Even politicians as committed to free markets as Mrs. Thatcher's team are, however, likely to have two minds about offering the electorate as telling a barometer of their economic success as a truly unfettered exchange rate.

Sir Geoffrey Howe has indicated in the past that he favours relaxing the present restrictions on foreign investment—but it is clearly not top of the Tories' priorities.

The premium is a particular nuisance for small investors because of the arcane way it can affect, for instance, the fortunes of unit trusts. Most unit trust these days try to get round the premium by using back-to-back



plans; that is, they put sterling on deposit with foreign institutions in London and then borrow foreign currency from them overseas.

One of the unexpected side-effects of these arrangements is that movements between sterling and the currency of the country the trust is investing in

are cancelled out. If, for instance, a trust invests in Japan it will normally finance its share purchases by yen loans—so if the yen rises it gets the benefit in higher share values in sterling terms but this is automatically offset by the need to repay the lenders in yen.

Brian Knox, head of stockbroker Grieson Grant's international department

The premium should be scrapped forthwith. The case against it is not only that it is bad economically but it infringes the liberty of the individual. People should be free to invest wherever they want; the existence of the premium disguises how badly things are going when the economy is in trouble and so lessens the pressure on politicians to take corrective action.

There is no practical way of phasing the premium out gradually. The Government cannot free the restrictions on direct investment side-by-side with continuing them on portfolio investment without a system of vetting direct investments to make sure that they are within the spirit of the rules. The Government would, therefore, have to approve direct investment decisions individually and defend them.

It would be exposed to suggestions that it was allowing jobs to be exported.

Under the Treaty of Rome the premium will have to go eventually for European shares but it will probably remain for America and the Far East in the foreseeable future.

In an ideal world we would not have restrictions on foreign investment but given that they already exist they are difficult for politicians to get rid of.

If the premium was removed immediately, confidence could be hit and there could be a large outflow of capital. We are not yet in a position to countenance this, though we might be in a few years' time.

I see the premium continuing to trade in the range of 20 to 30 per cent effective. But there may be the occasional scare when it will go higher.



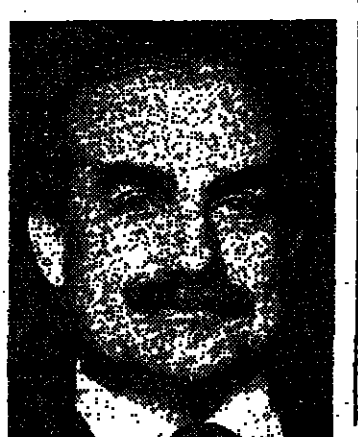
Brian Banks, chairman of Tower Unit Trust Management

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Peter Baker, managing director of Schlesinger Investment Management

The premium will go sooner rather than later. The Government's hand will be forced by the strength of sterling. The extent of the improvement in our economic prospects as a result of the change of government has not yet been fully appreciated abroad but when it is, there will be enormous inflows of currency into the country.

The Government will have no choice but to abandon foreign investment controls in its attempt to keep sterling steady. In the meantime we reckon that the premium could go below 15 per cent within the next few months. People wanting to get out of the premium before the system is scrapped will add to the downward pressure.

From an overall economic viewpoint, exchange controls are a bad thing. They relieve politicians of an important discipline. If we did not have them, politicians would be forced to act more quickly to correct economic mismanagement.

Another possibility is that the rules should be changed to allow institutions to make more use of back-to-back loans as a means of getting round the premium.

At present even where the loan route is used, institutions still have to use the premium for at least 15 per cent of their foreign investments.

If the premium was removed, the Prudential would probably want to raise its overseas content from about 5 per cent of its total investments at the moment to about 10 per cent—but this would be done gradually.



Michael Newmarch, deputy investment manager of the Prudential Insurance Group

The Government should make a start on phasing out the premium by relaxing the rules restricting direct investment abroad by companies.

The premium has not been very successful over the years in propping up the pound but to remove it overnight is impracticable. It could be phased out gradually by feeding new money into the premium pool.

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over of House of Fraser, but this move failed too. Since then Boots had adopted a slower but still highly successful pattern of advance through largely internal growth.

Now a major new research study of Boots by brokers Hedderwick Stirling Grumbar suggests that growth in pharmaceuticals over the next few years could be such that the group's industrial profits may overtake the contribution of the currently dominant retail division.

The key to this will be Froben, the anti-rheumatic drug first launched in the UK two years ago and now being promoted in markets around the world.

Hedderwick Stirling are convinced, however, that shareholders of Boots have nothing to fear and a good deal to gain from the prospective relative advance in Boots' industrial profits. They admit that on near term prospects the shares do not look exciting. Only a 7 per cent advance in pre-tax profits to £115m is expected when the 1978-79 figures are

published later this month, a far cry from the rapid growth produced by other major stores groups like Marks and Spencer, and even for 1978-80 they forecast profits growth of no more than about 14 per cent.

But it will all be different in the early 1980s. By then pharmaceutical profits should be shooting up and the brokers scenario Boots could be earning suggest that on an optimistic £150m or more from drug manufacture against £28m at present.

And it is pointed out that while the ratings of Beecham and Glaxo may have slipped, the experience in the U.S. stock market—where many more pharmaceutical shares are listed than that performance has recently been quite good. Moreover that there is a big spread in ratings between the strongly placed companies and the weaker ones.

The problem for the UK pharmaceutical sector is that the major listed companies have been simultaneously going through a quiet patch. This is

partly coincidence, and partly a reflection of the strength of sterling.

Just how is this phenomenal performance in pharmaceuticals going to be achieved? Hedderwick admit that Boots' drug business has some important defects. Its international marketing network is weak, which means that it relies heavily on overseas licensees like Upjohn in the U.S. And its spending on research relative to sales and profits is comparatively low; until this is corrected there could be a question mark over Boots' long term staying power.

But Boots also has two major products. The first anti-rheumatic product, Brufen, already makes a lot of money for the group. It has an estimated 19 per cent share of a £800m world market, and is relatively cheap and free from side effects. Whereas Brufen is now a mature product, Froben is very much towards the beginning of its commercial life. Because it is much more potent, and is aimed at patients suffering more severely, it is not a direct competitor to Brufen. It

is also substantially more expensive.

At the moment Boots' industrial division is actually holding back overall growth. Hedderwick estimate that over the current two-year period between 1977-78 and 1979-80 industrial trading profits will only grow by 12 per cent against a gain of a third by the retail side.

But from then on Froben will be making big impact, and Boots' agrochemical business should also be showing its paces. The brokers' pessimistic forecast of industrial trading profits for 1985-86 is £90m, while the "optimistic" estimate is £225m.

Boots itself is said not to have a pre-conceived view on whether industrial profits are likely to become larger than those earned from retailing. To some extent this will depend on future acquisitions: Boots would probably buy a U.S. retail chain, one could be found with the right fit. But Hedderwick's researchers are inclined to believe that within a decade or so the industrial division will become top dog.

EVER SINCE Jesse Boot took over a small shop selling home-made herbal remedies in Nottingham just over 100 years ago, Boots has operated both retailing and manufacturing interests. Last year the industrial division accounted for around 40 per cent of trading profits.

The two-way pull has been evident in the group's takeover policy over the years, though in the event its major moves have proved abortive. In 1972 it made an offer for Glaxo, which had just been bid for by Beecham, but both mergers were blocked by the Monopolies Commission. In 1973 it tried to expand its retailing arm through the take-

over of House of Fraser, but this move failed too. Since then Boots had adopted a slower but still highly successful pattern of advance through largely internal growth.

Now a major new research study of Boots by brokers Hedderwick Stirling Grumbar suggests that growth in pharmaceuticals over the next few years could be such that the group's industrial profits may overtake the contribution of the currently dominant retail division.

The key to this will be Froben, the anti-rheumatic drug first launched in the UK two years ago and now being promoted in markets around the world.

Hedderwick Stirling are convinced, however, that shareholders of Boots have nothing to fear and a good deal to gain from the prospective relative advance in Boots' industrial profits. They admit that on near term prospects the shares do not look exciting. Only a 7 per cent advance in pre-tax profits to £115m is expected when the 1978-79 figures are

published later this month, a far cry from the rapid growth produced by other major stores groups like Marks and Spencer, and even for 1978-80 they forecast profits growth of no more than about 14 per cent.

COMPANY PROFILE

BOOTS

BARRY RILEY

EVER SINCE Jesse Boot took over a small shop selling home-made herbal remedies in Nottingham just over 100 years ago, Boots has operated both retailing and manufacturing interests. Last year the industrial division accounted for around 40 per cent of trading profits. The two-way pull has been evident in the group's takeover policy over the years, though in the event its major moves have proved abortive. In 1972 it made an offer for Glaxo, which had just been bid for by Beecham, but both mergers were blocked by the Monopolies Commission. In 1973 it tried to expand its retailing arm through the take-over of House of Fraser, but this move failed too. Since then Boots had adopted a slower but still highly successful pattern of advance through largely internal growth. Now a major new research study of Boots by brokers Hedderwick Stirling Grumbar suggests that growth in pharmaceuticals over the next few years could be such that the group's industrial profits may overtake the contribution of the currently dominant retail division. The key to this will be Froben, the anti-rheumatic drug first launched in the UK two years ago and now being promoted in markets around the world. Hedderwick Stirling are convinced, however, that shareholders of Boots have nothing to fear and a good deal to gain from the prospective relative advance in Boots' industrial profits. They admit that on near term prospects the shares do not look exciting. Only a 7 per cent advance in pre-tax profits to £115m is expected when the 1978-79 figures are published later this month, a far cry from the rapid growth produced by other major stores groups like Marks and Spencer, and even for 1978-80 they forecast profits growth of no more than about 14 per cent. But it will all be different in the early 1980s. By then pharmaceutical profits should be shooting up and the brokers scenario Boots could be earning suggest that on an optimistic £150m or more from drug manufacture against £28m at present. And it is pointed out that while the ratings of Beecham and Glaxo may have slipped, the experience in the U.S. stock market—where many more pharmaceutical shares are listed than that performance has recently been quite good. Moreover that there is a big spread in ratings between the strongly placed companies and the weaker ones. The problem for the UK pharmaceutical sector is that the major listed companies have been simultaneously going through a quiet patch. This is partly coincidence, and partly a reflection of the strength of sterling. Just how is this phenomenal performance in pharmaceuticals going to be achieved? Hedderwick admit that Boots' drug business has some important defects. Its international marketing network is weak, which means that it relies heavily on overseas licensees like Upjohn in the U.S. And its spending on research relative to sales and profits is comparatively low; until this is corrected there could be a question mark over Boots' long term staying power. But Boots also has two major products. The first anti-rheumatic product, Brufen, already makes a lot of money for the group. It has an estimated 19 per cent share of a £800m world market, and is relatively cheap and free from side effects. Whereas Brufen is now a mature product, Froben is very much towards the beginning of its commercial life. Because it is much more potent, and is aimed at patients suffering more severely, it is not a direct competitor to Brufen. It is also substantially more expensive. At the moment Boots' industrial division is actually holding back overall growth. Hedderwick estimate that over the current two-year period between 1977-78 and 1979-80 industrial trading profits will only grow by 12 per cent against a gain of a third by the retail side. But from then on Froben will be making big impact, and Boots' agrochemical business should also be showing its paces. The brokers' pessimistic forecast of industrial trading profits for 1985-86 is £90m, while the "optimistic" estimate is £225m. Boots itself is said not to have a pre-conceived view on whether industrial profits are likely to become larger than those earned from retailing. To some extent this will depend on future acquisitions: Boots would probably buy a U.S. retail chain, one could be found with the right fit. But Hedderwick's researchers are inclined to believe that within a decade or so the industrial division will become top dog.

The case of the innocent sufferer

THE CIRCUMSTANCES of traffic accidents are infinitely varied, so much so that from time to time what appears to be an "open and shut case" turns out to be quite the reverse. Take for example the accident involving the parked stationary car: suppose it is properly parked close to the kerb on a straight stretch of wide road in no way causing an obstruction, in broad daylight, indeed on a high noon, bright summer day, while there it is hit and substantially damaged by another vehicle. As the owner of the parked car you ask your own insurers to deal with your claim for its repair, but having an excess on your policy and having spent money hiring another car you put your uninsured claim to the colliding motorist and his insurers. You are, in lawyers' terminology, an innocent sufferer, but this does not mean that you must necessarily get your uninsured loss claim paid. This is because the colliding motorist's insurers under the third party section of his policy have not undertaken to pay for all damage which he causes but only to pay those claims for damage for which he is legally responsible—so they pay only if there is legal fault. Now suppose that after proper inquiry after full examination of the colliding vehicle, it is shown that the brakes or steering suddenly failed, despite regular and proper servicing; or suppose that it is shown that the colliding motorist, a fit and healthy person, moments before the collision, suddenly fell ill at the wheel and lost consciousness; in either event insurers are entitled to say that the accident was not their policyholder's fault and that however innocent the owner of the parked car may be his innocence does not entitle him to legal compensation. You may say that these are, extreme, unlikely cases and statistically you are right; but

INSURANCE

JOHN PHILIP

driver and had found his car damaged when he returned to it. Of all the incidents I have mentioned, the last is the one most commonly experienced and therefore the one that causes the most vexation, particularly when the damage is serious and the claim has to be made under the motorist's own policy with consequent diminution of NCD. Typically, insurers' attitudes in such cases as these give rise from time to time to complaints against motor insurers who are accused, in the popular Press, on radio and TV and by consumer lobbies, of failing to carry out their obligations. Often I fear the complaints are unwarranted and ill-founded, because the collision victim does not appreciate that there is a very different legal relationship between the motorist and his own insurers on the one hand, between the motorist and someone else's insurers on the other. In the latter situation the insurers' contractual obligation is to their policyholder and they are bound by the third party section of the policy to indemnify him in the terms they have agreed: cover is for legal liability, for certain specified or categorised drivers; users, and where there is no cover or no liability that policyholder is entitled to complain if his insurers pay on his behalf claims that are not well founded in law or not within the policy terms and conditions. For the great majority of motorists comprehensive insurance providing full accidental damage cover is widely available and currently the price of such cover in real, as opposed to inflationary terms, is as cheap as it has been in any of the post-war years. No such motorist who deliberately decides to trade future cover for immediate premium reduction should complain later that the premium bird in the hand is not worth two claims birds in the bush, particularly when one of these claims birds happens to be in another insurers' nest.

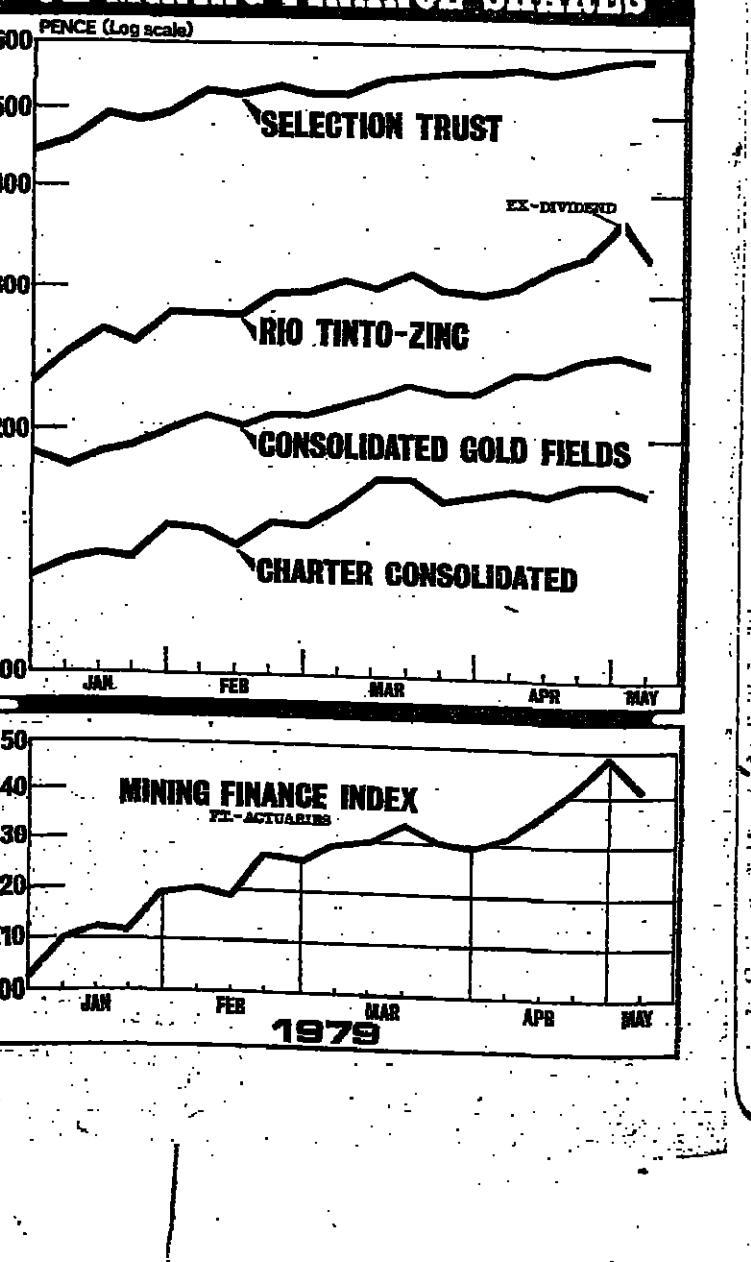
driver and had found his car damaged when he returned to it. Of all the incidents I have mentioned, the last is the one most commonly experienced and therefore the one that causes the most vexation, particularly when the damage is serious and the claim has to be made under the motorist's own policy with consequent diminution of NCD. Typically, insurers' attitudes in such cases as these give rise from time to time to complaints against motor insurers who are accused, in the popular Press, on radio and TV and by consumer lobbies, of failing to carry out their obligations. Often I fear the complaints are unwarranted and ill-founded, because the collision victim does not appreciate that there is a very different legal relationship between the motorist and his own insurers on the one hand, between the motorist and someone else's insurers on the other. In the latter situation the insurers' contractual obligation is to their policyholder and they are bound by the third party section of the policy to indemnify him in the terms they have agreed: cover is for legal liability, for certain specified or categorised drivers; users, and where there is no cover or no liability that policyholder is entitled to complain if his insurers pay on his behalf claims that are not well founded in law or not within the policy terms and conditions. For the great majority of motorists comprehensive insurance providing full accidental damage cover is widely available and currently the price of such cover in real, as opposed to inflationary terms, is as cheap as it has been in any of the post-war years. No such motorist who deliberately decides to trade future cover for immediate premium reduction should complain later that the premium bird in the hand is not worth two claims birds in the bush, particularly when one of these claims birds happens to be in another insurers' nest.

Contrary pressures build up

"JD BET," said a broker this week, "that if the FT Index fell by a half and the price of copper doubled, then RTZ shares would go down." It was a revealing comment on the pressures which bear not only on the Rio Tinto-Zinc price, but also on the prices of Charter Consolidated, Consolidated Gold Fields and Selection Trust, the four stocks which make up the Mining Finance section. Certainly the pressures have been seen in an acute form over the last few days. The bare facts are simple enough. In the weeks before the election the share had a solid run upwards, indeed the Mining Finance Index had out-performed other groups. In the FT-Actuaries Share Index, at the end of last week it was 149.04, having moved up from 101.28 at the end of last year, no mean rise. But this week the Mining Finance Index has slipped to 141.73, as the market has fallen, consolidated or corrected itself, according to the point of view. Broadly, there have been two elements accounting for the fall, which was at its most severe in the first half of the week. The first, the frothy part, was that speculative positions built up before the election were unwound and stock unloaded on a not very receptive market. But why the market was not receptive is the second element—it is, in fact, where we came in. Generally, it is true to say that the Mining Finance section is moved by two different factors: the fundamentals behind the mining business—metal prices, supply and demand, and so on—and, secondly, the performance of the domestic equity market. On the basis of the fundamentals, Mining Finance prices should have remained steady

industrial market part company, the fundamentals lose in importance as far as Mining Finance is concerned. And this week they have parted company after a couple of months of advancing in tandem. Thus, the future of Mining Finance prices depends on either the fundamentals gaining in importance or the sentiment of the industrial market improving. To take this a little further, there is a widespread feeling on the market that the Mining Finance shares will start rising again in the not-too-distant future. It is argued that with the speculative positions unwound—leading to what is called a healthy correction—the fundamentals will begin to reassert themselves. Once the market starts looking at the fundamentals again, then it will perceive the possibilities for earnings growth at each of the groups. This growth has already become apparent in the latest annual figures of RTZ and the half-yearly figures of Gold Fields. Selection Trust, shielded to some extent from the vagaries of the minerals market by its UK industrial interests, should generate higher earnings from its Canadian and Australian mines while taking a rich dividend from its 8.5 per cent of Amstar, the U.S. group, which is finding it hard at the moment not to make money. As for Charter, its precious minerals investments should hold it in good stead and it is probably now pouring less cash into the bottomless pit of Cleveland Potash.

UK MINING FINANCE SHARES



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YOUR SAVINGS AND INVESTMENTS 2

New rules for insurance brokers promise a better deal for the public, writes Eric Short

Commission quiz for the brokers

THE BLACK SHEEP of the insurance broking profession are going to have to work a little harder to cover their tracks in future. Under new rules, the profession's watchdog Registration Council will have extensive powers to quiz brokers on their links with insurance companies. Any brokers who are discovered to have an unduly cosy relationship with one or two high-commission offices will be put on the spot.

The new deal probably will not actually drive many commission-hunters out of business. But in forcing them to be more circumspect, it may encourage some brokers to raise their standards.

Every registered broker will in future have to fill out a form each year giving details of the structure of his business. If he deals with only 10 or fewer companies he will have to name them.

If one company provides a broker with more than 15 per cent of his total income in commission and other payments, he

books. Some clients will end up with companies which are not the broker's first choice. The public will soon have new safeguards against loss due to carelessness or fraud on the part of insurance brokers. From July, officially recognised insurance brokers will have to carry at least £250,000 of professional indemnity cover.

Aggrieved consumers have always had the right to sue—but this is not much use if the culprit scatters, as he could well do in a case of fraud, or if he does not have the means to meet a large court award.

The new arrangements cover brokers who are registered under the Government's new vetting procedures. Other insurance salesmen will be banned by law from calling themselves insurance brokers.

Many negligence cases concern motor insurance—an area that is complex even for the expert and can involve huge sums if mistakes are made. One of the commonest sources of problems is cover notes. The task of sending them out is often left to junior staff who may not be properly supervised. If a cover note is not sent, the client will be uninsured—so may have a huge claim for professional negligence if he has an accident.

Fraud sometimes arises where premiums are paid in cash. The staff may pocket the money, leaving the client uncovered. The broker is responsible for his staff's actions and so the problem should be covered by the new indemnity arrangements.

Campaigners for tax relief for commuters got a boost this week when London Transport joined the band-wagon. But David Freud warns that the cost would be high and the benefits would be unfairly distributed

Why commuters should not get tax relief

SUCCESSIVE GOVERNMENTS have taken a firm stand against tax relief for commuting expenses ever since 1955, when a Royal Commission on Taxation came down against it.

But public pressure to reverse the stand has grown over the years, fuelled by the mounting cost of commuting in real terms. In the last year, however, the principle has been slightly dented. The Labour Government ruled last June that, in certain, tightly-defined, circumstances, employers could give employees season tickets that would not be liable to income-tax.

But the many conditions hedging the concession have resulted in few employers taking advantage.

If the Labour Government opened the door a crack, Ralph Bennett, chairman of London Transport, has urged the new administration to kick the door off its hinges.

In last week's annual report he argued that "attractive tax concessions" should be introduced for those who use public transport.

This way of subsidising public transport would be unique in the developed world. The three

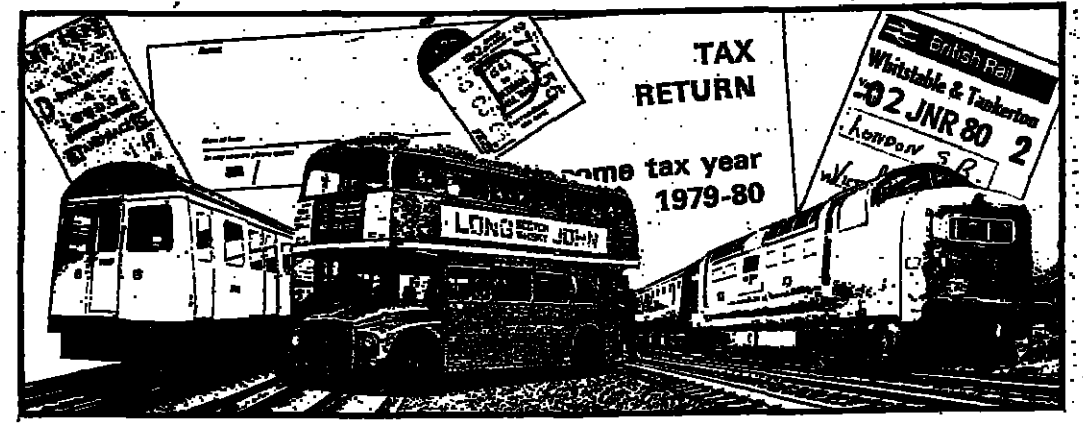
Common Market countries that allow it—Belgium, Germany, the Netherlands and Luxembourg—do not discriminate between public and private transport.

Perhaps the strongest argument in favour of tax relief for public transport costs is that there are already in effect large reliefs for those using private transport.

Few would argue that people running company cars are taxed on the full value of the benefit they receive. Furthermore, many employers are encouraged to provide the facility because of the tax advantages of leasing the car rather than buying it outright.

But this argument can be stood on its head. Any disparity between public and private transport could also be eliminated by removing the tax concessions for private transport. Indeed, there is widespread fear in the car leasing industry that it could be affected by tax changes in this direction.

And the Tories favour dismantling the UK tax system's unwieldy array of concessions and reliefs. While they are likely to move cautiously, they would clearly resist appeals to



add to the system's complexity with yet another concession.

Another important consideration would be loss of revenue. While there has been no break down between private and public transport, the cost of giving tax relief for all travel-to-work expenses was put at more than £750m a year in a Parliamentary Written Answer last summer.

To recoup this, the basic rate of income tax would have to be raised by 2p to 35p in the £. Since the Tories have talked about cutting the basic rate to less than 30p, cost is likely to

be a major difficulty. Tax relief for users of public transport could be fundamentally unfair to many sections of the community—victims of the Beeching rail cuts, for instance. Many people who have chosen—and paid high house prices for the convenience of living in inner city areas, would resent the subsidy given to colleagues who have elected to live in leafy Surrey.

To the extent that house prices reflect current transport costs, changes would tend to give householders once and for

all windfall gains or losses. There would be organisational problems too: the extra workload for employers and the Inland Revenue would hardly be welcomed by a Government committed to cutting bureaucracy.

The concession would also be open to widespread abuse, with people claiming that the cost of travelling to work was greater than it was in fact.

The black—or tax-avoiding—economy is growing fast enough as it is without adding an extra impetus.

A second bite

MANY WELL-OFF savers get a second bite of a juicy cherry this summer when the building society version of Save-As-You-Earn gets a new lease of life. Building society SAYE, which societies launched in the late 1960s following a tie-up with the National Savings Department, is now almost forgotten but it is still a money-spinner for high-rate taxpayers.

Anyone investing the maximum £20 a month for the full five-year contribution period is

in line for a tax-free pay-out of £1,480. That works out at a tax-free return of 83 per cent—a fabulous rate for high-rate taxpayers.

Many high-rate taxpayers who rushed to take out these plans in 1974, when the scheme took on its present form, will cease contributions this summer. They will then have the right to start a new plan. In the meantime they can use an option within the scheme to leave their maturity money

from their old plan untouched for a further two years to collect a pay-out of £1,780 on the seventh anniversary of the start. That represents an interest rate

BUILDING SOCIETIES

EAMONN RINGLETON

of 8.6 per cent tax-free—equal to 17.3 per cent gross for a basic taxpayer.

The nearest rival to these plans is the index-linked version of SAYE, which will probably prove a better bet if gloomy forecasts of the inflation outlook prove accurate.

But building society SAYE is more than a match for conventional endowment policies, which have to be run for a minimum 10 years to produce a build-up of around 85 per cent tax-free on your net premiums.

Wealthy investors should make maximum use of all these savings methods. Because of their shorter term, both index-linked and building society SAYE have an edge over endowments for funding school fees.

Standard stars in a ten-year kaleidoscope

IF YOU ARE shopping around for an endowment policy, start by studying the latest performance tables in Money Management magazine. Its May issue not only compares with-profits maturity values for the current year but for every year since 1970. This ten-year review gives an invaluable perspective, for in picking the right office, you should look for a consistently good performance over the years.

An important point highlighted by this survey is that companies that are good for short-term policies are not necessarily so good for longer-term ones and vice-versa. This is not surprising: bonus structures tend to favour either short-term policies or longer-term ones, but not both. Thus Equitable Life has headed the tables for 10-year policies in the past six years; Standard Life, with a different bonus system, shines with 25-year policies.

Clerical, Medical and General has managed to pitch its bonuses so that it offers good value not only for 25-year policies but for 15-year ones.

The survey shows that many companies which had high maturity values ten years ago have now slipped well down the league tables while other companies have come from nowhere into top positions. Guardian Royal Exchange, which was a good performer for all three terms—10 years, 15 years and 25 years—in 1970, has slipped

outside the top ten by 1979. The lesson is that it is no longer sufficient to look at current maturity values. You have to go behind the figures and find out what is happening to the company. Guardian closed its life fund to new entrants in the late 1960s and started a new fund. It was much more generous to old policyholders compared with the new

—though in 1979 it was not far outside the top ten. The survey shows that with-profits maturity values do not always progress steadily upwards. With some life companies the values fluctuate noticeably. Indeed, companies like Guardian, Equity and Law and Ecclesiastical paid out more in 1970 than they did in 1979. But in each case, there

were special reasons. The introduction of terminal and special bonuses has tended to distort the smooth progression. The top companies tend to be mutuals (which have no shareholders to pay dividends to) and broker-orientated so there are no expensive sales forces to maintain. Their position at the top tends to be self-perpetuating—they have more brokers giving

them business because of their past record and thus have lower expenses ratios, which helps them maintain good bonuses indefinitely. Copies of Money Management cost £1.50 each (postage included) from PO Box 118, Brackley House, 10, Cannon Street, London EC4P 4BY. Money Management is part of the Financial Times group.

UNIT TRUST AND INSURANCE OFFERS

Company	Page
Arbutnot Securities Ltd.	11
Save and Prosper Group Ltd.	12
Tower Unit Trust Management	13
Britannia Financial Services Ltd.	17
M & G Group	19
Gartmore Fund Managers	19
Schlesinger Trust Managers Ltd.	30

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HOW TO BEAT THE MARKET

The following six shares were among those recommended in the IC News Letter in 1977 and were all showing increases of at least 150% when the latest comprehensive table of our 1977 selections was published in February of this year. Even the average capital appreciation of all 54 shares recommended in 1977 was 74.1% compared to an equivalent increase of 6.6% on the FT Index, and a further improvement has occurred since, exemplifying the staying power and sound fundamentals of most IC News Letter recommendations (although profit-taking remains an important part of the News Letter's advice).

SHARE	Recommended Price p	Price at Feb 28	At High	At Feb 28
Automated Security	15	118	-720.0	-686.7
Capital & C. Prop.	17.4	71	-305.7	-306.7
De La Rue	119	35	-320.2	-196.3
Endeavour Res.	8	20	-227.3	-150.0
Northern Eng.	42	120	-234.1	-183.5
White Industries	AS0.91	AS5.30	-284.6	-262.6
All 1977 Selections			-104.1	+74.1
FT Ind. Index	438.1	467.0	+22.2	+6.6

These figures are taken from a follow-up table published in the February 28 1979, issue of the IC News Letter; this table is available on application.

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PROPERTY

First find your craftsman

BY JUNE FIELD

EVEN THOUGH it can cost as much or more than the original purchase price to restore or convert an old building, people are still prepared to take on the most unlikely places. It's the appeal of something different from today's stereotyped bricks and mortar, and nothing seems to deter the really dedicated converter, even though experienced (and enthusiastic) craftsmen are not easy to track down.

Most craftsmen are found by recommendation, and as they will have been commended because their work is good, it is ten to one that their order book is full for some time to come. Yet there are reports that some specialist building firms are going out of business through lack of work, so the missing link must be in communication. To help matters along, the Civic Trust have published a feasibility study on the possibility of producing a national register of craftsmen in the building industry (£1.75 from Civic Trust, 17 Carlton House Terrace, London, SW1).

Compiling a really comprehensive directory to include quality firms and one-man operations around the country will take time and money, and Nicholas Woodward-Smith, author of the study, suggests as a starter an annual directory with a list of about 2,000 firms, with a yearly increase of between 750 to 1,000. As the Civic Trust, started in 1975, is a recognised charity supported by voluntary contributions, the initial task is to find a sponsor. Perhaps some of the big conglomerates in the paint and wallpaper industry might be persuaded to come forward with practical aid.

Meanwhile, The Crafts Advisory Committee who are building up a non-selective register of conservation craftsmen, have just published an excellent *Conservation Sourcebook—For Conservators, Craftsmen and those who care* (Historic Objects in their care (£5.95 hardback, £4.25 paperback), post free from Penny Egan, Crafts Advisory Committee, 12 Waterloo Place, SW1). This book does not actually feature individual craftsmen, but is an extremely helpful listing of organisations—societies, guilds and associations—to which they belong.

For instance if you need someone to repair a broken-down dry-stone wall, then the Dry Stone Walling Association should be able to put you in touch with a member, while for the gliding, graining and marbling on or within the fabric of buildings, there is the Society of Decorative Crafts, and the Architectural Salvage Index is a register of all types of re-usable building materials and architectural features throughout the UK. Contact Architectural Salvage, c/o Hutton and Rostron, Wetley House, Gomsall, nr. Guildford, Surrey, for details.

Equally useful, perhaps more so, is The Guild of Master Craftsmen's *Directory of Members 1978-1979*, £1 post free from Bernard C. Cooper, the Guild's general manager, 10, Dover Street, London W.1. This comprehensive booklet has good-sized sections devoted to the building and allied trades in England, Scotland, Wales and Ireland.

On a purely random selection I noted Peter Mack Wilkins, 211 Holdings, The Manor, Village of Banwell, Avon, "specialists in restoration of country estates, size

immaterial." J. G. Barthelemy, Property Selection and Renovation, Frittenden, Kent, speciality historic buildings in Kent, including Wealden farmhouses, A. J. and M. Comber, Bradway Building Company, who concentrate on roof repairs for period houses, D. Scott, D.A.T. Home Improvements, 58, Main Street, Newthorpe, Nottingham (old cottages and versions, making and fitting old world beams), John Ford, 7, Larkdown, Wantage, Oxfordshire (renovating ingenious fireplaces to working order), Melvyn Smith, Bridges End, Green Hill Lane, Hallow, Worcestershire (installation of septic tanks). I suggest serious enquirers should send see with their work problems, allowing time for reply, because many of the firms listed are small operations.

So what's on offer for the canny converter, bearing in mind that anything out-of-the-ordinary, however run-down, doesn't stay long on the market. There is a large hole in the roof, and the building is generally very dilapidated and in need of complete restoration. Keith Lazenby of Peacocks pointed out when giving me the details of two farm workers' cottages, Blewer's Hall, built in 1700 on the edge of the Whitebread Estate, Stanbury, near Shefford. "In spite of this a considerable level of interest is being shown, at a price in the region of £25,000, and it is highly probable that this figure will be exceeded, even though a purchaser will probably need to spend virtually as much again on restoration work."

Various period cottages for conversion in Bedfordshire in the £20-£40,000 bracket come up



A water mill for conversion with most of its machinery intact, is for sale with the already converted 5-bedroom Mill House in 5 acres with paddocks. Easterford Mill and the Mill House are both listed Grade II buildings and form the most important feature of Swan Street, Kelvedon, Essex. Offers in the region of £68,000 are invited through D. R. Hughes, Strutt and Parker, Tindal House, Chelmsford, Essex.

through this agent. For what is currently on offer write to Mr. Lazenby, Peacocks, 58 St. Loeys Street, Bedford.

Just as much of a challenge is the 18th century Old Manor House, Church Street, Wye, near Ashford, Kent, in the Stowe Valley. Originally called the Ballif's House Wye, the Jacobean/Tudor house is also in need of complete modernisation and restoration to transform it into a five-bedroom, two-bathroom house. Details S. R. T. Beckhouse, Harrods Estate Offices, 1, Hans Road, London, S.W.3, who are looking for offers in the region of £39,000.

Of the three stone-built barns offered for sale in the small rural hamlet of Milton, a mainly farming community about three miles from Banbury, Oxfordshire, the two larger ones were snapped up immediately. The small barn, 546 sq ft, with planning permission to convert into a home, was still on offer. Detailed plans showing a galleyed sitting-room with balcony and storage space in the eaves, with bedroom, bathroom, and kitchen/diner below, can be seen through E. L. Stevensons, house sales manager, Berry Bros., 25, High Street, Banbury, Oxfordshire.

If you want a water mill for renovation, there is one complete with most of the machinery at Swan Street, Kelvedon, Essex. Easterford Mill, on the River Blackwater, can be traced back to 1508 when the mill formed part of the Manor of Coggeshall. The present mill dates from about 1812, built of lath and plaster and white painted weather-board on a heavy timber frame under a clay tile roof. With the mill goes the 5-bedroom, 4-living-room Mill House, already modernised, and a

4.5 acre paddock. Price around £88,000. Details D. R. Hughes, Strutt and Parker, Tindal House, Chelmsford, Essex.

Knight Frank and Rutley have been instructed by Campbells Soup Ltd. to sell The Mill House in the hamlet of Dearingham, Norfolk, overlooking the Royal Estate, in 4 acres; a price in the region of £80,000 is being asked for the 8-bedroom, 3-bathroom house built in 1667 and added to in 1897, plus a coach house wing, 3-acre paddock, stable, and a circular fish-pond formed out of the base of a windmill which once stood on the site.

Leigh Mill House, Godstone, is a converted mill with 24 acres, is a converted mill in a lakeside setting with about 24 acres. The mill dates back to 1086 when the Kings Commissioners recorded that there was "one mill worth six shillings and three acres of meadow." Until the early 20th century corn had been ground there for 900 years, with the exception of a short period in the early 17th century when the Evelyn family were producing gunpowder. The present six-bedroom, three-bathroom house dates back to about the 18th century and has the old mill-wheel incorporated into a display in the dining-room. There is also a staff/guest flatlet, trout farm, ballif's maisonette, and floating fishing lodge. The agents, Savills in conjunction with P. A. Brace and Co. of Godstone are inviting offers in the region of £250,000.

An unconverted past in Canterbury, Kent, three miles from Canterbury, with plans for conversion into three houses is for sale by tender (anticipated offers in excess of £30,000). Maximum use would be made of the four kilns, two of which retain their original ovens. Details joint agents, J. P. N. Major, Strutt and Parker, 29, St. Margaret's Street, Canterbury, and Savills, 106, London Road, Chelmsford, Essex.



Leigh Mill House, Godstone, is a converted mill with the original mill wheel incorporated into a display in the dining-room. There are 6 bedrooms, 3 bathrooms in the main house, and the estate includes a flatlet, ballif's maisonette, heated indoor swimming-pool, hard tennis court, trout farm with 4 stepponds, 41-acre trout lake and fishing lodge. Details Ian Stewart, Savills, 29 Grosvenor Hill, W1, and P. A. Brace and Co. of Godstone who are inviting offers in the region of £250,000.



Until three years ago, Parsonage Farm, near Great Dunmow, was a traditional 17th century Essex barn. Now it is a 5-bedroom, two-bathroom house with a heated swimming-pool, five paddocks and stables in 12 acres. Included in the package, for which offers in the region of £140,000 are being invited, is an unconverted barn. Details John Gibson, Savills, 136 London Road, Chelmsford, Essex.

SAVILLS

NORFOLK

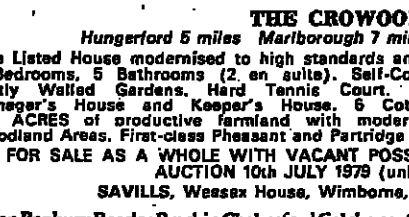
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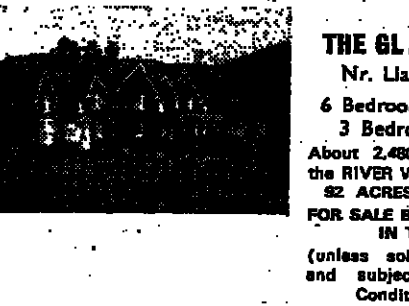
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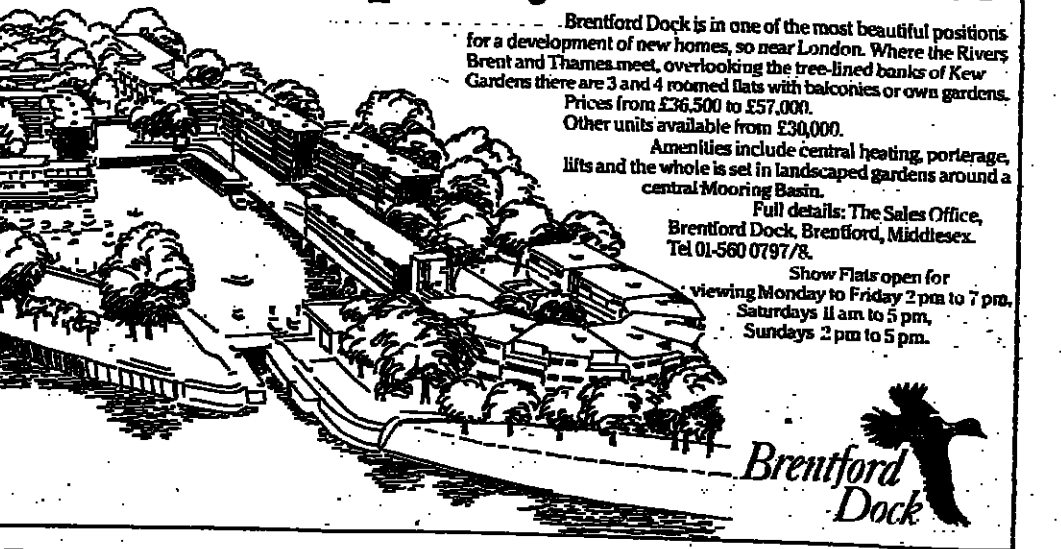


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RESIDENTIAL PROPERTY ALSO APPEARS TODAY ON PAGE 15

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LEISURE

Trouble-free dahlias

IT IS TIME to be doing something about dahlias: to be planting out the old tubers if there are some safely in store, or buying small "pot" tubers and starting them in a frost-proof place, or ordering rooted cuttings, though the trade in these is smaller than it was a few years ago. Still, if you really want the pick of the varieties, and there are hundreds of them, this is still the only way to do it, for the number of varieties available as small, prepacked tubers is strictly limited and confined mostly to the old and well-tried varieties that everyone knows. They are no worse for that but enthusiasts for dahlias and those who plan to exhibit them will almost certainly want to be more selective.

Dahlias arouse fierce passions for and against. I have always found it hard to understand why some people dislike them so much. "Vulgar" and "unnatural" are two condemnations frequently hurled at them. Well, no one denies that the garden dahlias are completely man-made plants but so are most of the popular roses and rhododendrons, as well as chrysanthemums, many irises, daffodils, tulips and a great many other plants which most gardeners accept gladly. Admittedly dahlias have lent themselves to some pretty awful breeding. Some of the monster flowers have no place except the exhibition bench and even there most people get more pleasure from the small to medium sized blooms. But they are only one of a score of alternative types.

There are so many flower shapes nowadays, singles, collared, quilled, petalled or "cactus", broad petalled or "decorative", water lily, ball flowered, pom-pom and so on and so many sizes and colours to choose from that it seems there must be something to satisfy every taste however refined. Personally I confine myself almost entirely to the small ca-

cus and decorative types and like to grow a few carefully selected colours including some of the tender and glowing pinks and the rich crimsons that dahlias produce so well. I would not know how to keep the garden constantly cheerful after the end of July without their assistance for there are very few plants, except pelargoniums, scarlet salvias and begonias which I like less well, that will flower so persistently right up to the first sharp frosts of autumn. Last year I did not have to dig up the dahlias until well on into November and since then they have spent the winter packed into three large cardboard boxes placed in the loft not far from the chimney flues which run through it. I do not even have to bother about watering them or expending extra fuel on them as I must do with the pelargoniums.

The small tubers that can be purchased now should be bedded in moist peat or peat compost in shallow boxes or pots and kept in a frost proof place until at least the first week in June when they can be planted out where they are to flower. Large tubers left over from last year can be planted outdoors right away provided they are covered with 5 cm. of soil as protection against frost. It will take a few weeks for new shoots to appear and by that time there should be little risk of damage.

However, dahlia growth is very tender and is damaged by even a degree or so of frost. With big plants this is not likely to cause irreparable damage. The plants will be checked but will recover after a week or so. It is the rooted cuttings, which have not yet had time to form any tubers, that are really at risk for they have nothing to fall back on and if they are frosted that is likely to be the end of them. So do not plant these out too early, perhaps not before mid-

June if the district is a cold one or subject to late frosts, and have some kind of protection at hand even if it is only strong polythene bags to slip over the plants should there be a frost warning.

Dahlias like it rich. I doubt that it is possible to overfeed them with good manure or compost though it is always possible to overdo fertilisers unless they are formulated in very slow release ways. I like to work in a shovelful of humus with each tuber and make a lot of use of

GARDENING

ARTHUR HELLIER

spent mushroom compost which I can purchase cheaply. Rotted stable manure would be even better, because richer in plant food, and well made garden compost can be excellent. All these bulky materials hold moisture and yet make the soil more open and workable a combination which dahlias much appreciate.

Dahlias also like sunshine and in the shade make growth at the expense of flower. A single plant of almost any type except the dwarf bedding varieties can easily occupy a 1.2 metre circle by August so give dahlias plenty of space. Also be prepared to stake and tie firmly for dahlia stems are heavy and brittle, but use stakes that when driven in, will be shorter than the plants so that they will be completely concealed by their growth.

Everyone will have personal ideas on how dahlias should be used. Some will prefer to mass them in beds on their own but I like to mix them with other plants wherever that is possible. This may not be the way to get the best blooms but

in my view dahlias look better in company. They are not the most gaily of plants and they improve when attention is concentrated on their flowers rather than on their leaves and habit.

Dahlias suffer little from pests and diseases. Earwigs like to nibble their leaves and petals but are not often a serious problem and can be fairly easily trapped in inverted flower pots stuffed with dry grass. Greenflies can be killed quickly with any of a dozen or more excellent aphicides now freely available. Capsid bugs can be a bit more troublesome as they only seem vulnerable to a few insecticides such as lindane and fenitrothion. However one can go whole seasons without seeing much sign of them and I only reach for the sprayer when the distinctive leaf puckers and rusty patches they cause become really noticeable.

The only diseases I have experienced are the viruses which cause stunting of growth or yellow mottling of the leaves. Since there is no cure and infection can spread quickly, affected plants should be removed and burned as soon as noted. But it is quite possible to grow dahlias for years and see no sign of disease. I know of few plants which give such a good return for so little trouble.

Dahlias are also among the easiest tender perennials to overwinter. All that is necessary is to cut off all stems 4 or 5 cm above soil level when foliage has been blackened by frost, dig up the roots (it need not be done immediately as the soil will protect the tubers from October and November frosts as it does from those of May), shake off all soil and place them somewhere that is completely frost proof without being either hot or damp. They can stay there, out of sight and mind, until it is time to replant again the following spring.

Prospect of a great Final

TODAY'S CUP Final is the 51st to be held at Wembley and the 98th since the competition began in 1871-72. This match, between two of the most famous clubs in the world, Arsenal and Manchester United, has all the right ingredients, skill, tradition and fanatical support for a classic, but with so much at stake, and it being an occasion as well as a game, you never can tell.

Since first starting to cover the Cup Final some 20 years ago, it has been noticeable that those games which have promised most have usually turned out to be something of a disappointment for the unbiased observer.

Apart from the Everton Sheffield Wednesday match and the draw between Leeds United and Chelsea, I tend to remember those two surprise upsets, when the unfancied Second Division teams, Sunderland in 1973 when they brushed aside the superior class of Leeds, the most accomplished club in the country and again in 1976 when Southampton overcame Manchester United, who had just brought a new breath of adventure to the First Division with their progressive approach.

One of the main reasons why so many FA finals have failed to come up to expectation has stemmed from the fear of making a mistake. As a result,

players have settled for the straightforward pass, rather than the more subtle one which could lose possession, while finding themselves with a good scoring chance. They have tried to make absolutely sure and consequently taken a fraction too long. However, it could be different on this occasion because both Arsenal and Manchester United have been involved in recent Wembley finals. This should reduce some of the tension and help them to settle down quickly.

In addition, among the 22 players on parade, are an above-average number of clever ball manipulators who should find the wide open spaces very much to their taste, while there is the very real prospect of goals from both sides, as neither possesses a defence as tight as Liverpool or Nottingham Forest.

Last year, Arsenal arrived at Wembley as favourites and then froze, so that Ipswich won very much more easily than a 1-0 scoreline might suggest. This time they are hoping to make amends and emulate what Manchester United managed when they returned 12 months after their upset against Southampton to beat a strongly-fancied Liverpool.

Can the Gunner succeed? If Brady, the most talented taker and creator of goals in the

country, is in top form, if Talbot dominates the middle of the pitch to the same extent as he did for Ipswich against them, and providing Stapleton and Sunderland combine as effectively upfront as they can, the answer is Yes; but one needs to

FOOTBALL

TREVOR BAILEY

be a real Arsenal supporter to risk even the smallest bet.

Although Jennings is still a superb keeper, there remain some nagging suspicions about the Gunners' back four. They are well drilled and experienced, but have been known to panic under pressure and might be exploited by the skilful, fast-moving Manchester forwards and halves, while McIlroy, with his ability to slip an opponent and deliver the perfectly awaited pass, could destroy their offside trap.

Just walking out of the tunnel on to the pitch at Wembley before 100,000 cheering supporters was unquestionably one of the most unforgettable moments of my sporting life. Fortunately, once the game starts, the crowd merely

becomes a colourful backdrop, providing a ceaseless blare of background noise. The desire to win is so strong that every player is prepared to give everything and more, but, strangely, the disappointment of the losers is less than being knocked out in the semi-final, because being at Wembley is in itself an achievement.

The Cup Final also provides the perfect finish for the football supporter, a day out at Wembley, a day to remember, and, they all hope, a day to celebrate. Inevitably, it is a bigger event for a club outside of London, as they start creating the atmosphere so much earlier. Indeed, finals between two metropolitan clubs are almost invariably lacking in colour, which makes life easier for the police as before the game, at any rate, the crowd is so much more sober.

Unfortunately, both these great and ably administered sides have more than their share of morose exhibitionists, who are a constant source of embarrassment to the majority of the genuine fans, but cause a great deal of trouble and damage. Let us hope that the 1979 final not only provides a splendid game, but also the behaviour of the crowd is as good-humoured as it was last Saturday for the Rugby League final.

YACHTING

ROY HODSON

YACHTSMEN who buy boats for Northern European waters are increasingly seeking designs that can also be taken down to the Mediterranean through the French canal system.

A pleasant three-year adventure can be planned if the boat will fit the canals. The trip south can occupy the first annual holiday. The boat can be cruised in the Mediterranean during the

second year, taking care to comply with the various national formalities involved when leaving a boat to winter in Mediterranean ports. The passage back can be made during the third season using a fresh canal route.

Many sailing yachts of under 30-feet overall length are of sufficiently modest beam and draught to use any of the popular routes including the attractive Canal du Midi. But larger yachts in the 30-feet to 40-foot range, which are now attracting so many families who wish to live on board in reasonable comfort, are often precluded from canals by their draught and sometimes by their beam.

Trapper Yachts of Creekmoor, Poole, a member of the Granary Group of companies, believes that, after market research into European designs available, it has come up with a boat tailor-made for alternative cruising between Northern Europe and the Mediterranean. The company developed by selling yachts built to the Trapper designs of the Canadian office known as C and C Design. The British firm took one of the C and C hulls well proven for fast racing and cruising — a 35-foot overall yacht — and redesigned it. A new deck plan was devised. The most important feature, however, was the provision of shallow draught capability for canal work by the installation, of a centre-board and a shallow keel.

For some reasons lost in the mists of yachting history centre-boards have always been popular in North American waters but have been rarities in Europe. The average British

sailor tends to think of a centre-board yacht as having a centre-board case blocking the middle of the cabin, and probably leaking into the bilge.

The new Trapper 700 is a sincere attempt to have all the advantages of a centre-board without any of the disadvantages. To achieve that the boat has been given a shallow fin keel with a straight base. Although a 35-footer it draws only 4 feet 3 inches to the bottom of the fin keel. That is three inches within the recommended maximum draught for the canals.

Built within the fin keel is a pivoting centre-board, which when lowered by a winch mounted in the cockpit gives 6 feet 9 inches draught and enables the boat to stand up to her 700 square feet sail area when going to windward.

Sailing the Trapper 700 through the narrow and crowded channels of Poole harbour last weekend it was comforting to know that the plate was up and we were in virtually a shoal-draught vessel. Once outside the harbour the plate was lowered by checking away on a two-speed winch and the yacht roared away in a fresh wind touching eight knots on a close reach.

Entering Weymouth that night we hauled the plate up again just to be on the safe side. It weighs nearly 600 pounds and pivots on a one-inch diameter stainless steel bar. It was taxing to a tired crew to winch it up by hand; I would definitely recommend any prospective purchaser to invest in the hydraulic lifting gear which is offered on the boat as an "optional extra" — the boat

business is borrowing a few wrinkles from the motor car trade, it seems.

The centre-board is outstanding among several likeable features of the Trapper 700. I will also mention the neat and efficient engine installation. A 23 hp Volvo Sairdrive diesel engine is fitted, which means that the engine, the drive leg, and the propeller unit at the bottom, are installed complete as a unit and sealed into the hull. Because the propeller is sited directly behind the short keel and well forward from the stern, the boat is highly manoeuvrable under power. Indeed it can spin round on a sixpence. With the combination of precise wheel steering and good handling in reverse gear it should be a great comfort to skippers when entering and leaving those cavernous locks on the French canals.

The current price for the Trapper 700 is £24,134 without VAT. I understand that the complete production is booked for several months ahead.

J. D. Potter has been providing high-class equipment to the world's navigators since 1830 from its shop in the Minories, East London. The company's latest venture is an ingenious chest for yachtsmen which includes all the radio facilities available in the waters between Brest and the Elbe. It hangs together on one chart the information scattered through 15 separate reference books. A marine consultant, an airline pilot, and an expert in small craft radio, have collaborated in the research and design. The Rofac Radio Facility chart is available from J. D. Potter and other nautical shops at £4.85.

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Return of the champ?

EASILY THE most frequently posed question as one has roamed the world these past five years has been "Can Tony Jacklin ever really come back?" It is a measure of the affection and esteem in which perhaps the best golfer these islands have ever produced is held that this should be the case. And if Jacklin can retain his recently improved touch, or perhaps more important his dramatically upgraded mental attitude in the French open championship here at Lyons at the week-end there is no telling how many tens of thousands will flock to the Old Course at St. Andrews next week for the last Colgate sponsored PGA Championship worth £50,000.

What poetic justice it would be if Jacklin could draw inspiration from the venue that used him so cruelly in 1970. Then it was that the thunder gods intervened when defending champion Jacklin, having reached the turn in 29 shots, and still eight under par at the long 14th hole, had the venerable "old lady" at his mercy in the first round of the Open. Shots dropped to par there and at the 18th and 17th holes in the cold rain at 7.30 the following morning turned a sensational score into merely an impressive one. Jacklin's 67 left him two shots behind leader Neil Coles, who had compiled his 65 in the warm calm of the previous early morning.

One could fairly say that Jacklin's meteoric career started on the down slope that very day, although it has since become fashionable to trace his decline to the 1974 Open at Muirfield, when his partner Lee Trevino chipped and pitched him into oblivion over the last 36 holes in defence of the title Lee had won at Royal Berkshire.

Few will ever forget how Trevino "thinned" his bunker shot at the par 3 16th hole in the fateful third round. The ball was racing across the green bound for the tall grass when it hit the flagstick and dropped straight into the hole for the most unlikely birdie. Trevino rubbed salt into the wound by chipping into the 18th hole from

behind the green as Jacklin watched incredulously. But the crucial shot off was reserved for the following day when the volatile Latin repeatedly, audibly accepted defeat at the 542 yards 17th hole. I was right along side him as Trevino was twice forced to back off his drive by a cameraman and then his assistant trying to dart across the fairway. Never comfortable thereafter, Trevino found the left hand bunker from the tee, squirmed his second shot into the right hand rough, and

GOLF

BEN WRIGHT

then struck an extremely foolhardy tree wood shot into the rough on the left. From a bad spot he pitched over the green and up the high bank. All the way down the fairway Lee had muttered loudly that "damned photographer has cost me my title." Meanwhile Jacklin, level with Trevino going to the 71st hole was 16 feet from the cup in three shots. Lee told me later that he had only those two intruders on his mind when he ripped out his nine iron and chipped the ball straight into the hole.

Jacklin's subsequent three putts were entirely understandable and our hero duly lost second place to Jac Nicklaus by pushing his second shot into the righthand bunker to drop another shot at the 18th. Which ever incident one regards as the more "mentally damaging" the fact is that Jacklin has never since been in contention in the Open. Is it too much to expect him positively to contend in July at Royal Lytham exactly ten years after his momentous open victory there? Well, I can dream, can't I?

If Brian Barnes continues in his present rich vein of form there is no doubt about his ability to become the leading British contender at Lytham, which would take a lot of the heat off Jacklin. The big fellow

can scarcely, if ever, have played better than he did in coming home for the last time in 31 shots to win the Italian Open at Monticello last Sunday evening.

But I do wish he hadn't openly split the prize money with South African Dale Hayes before the sudden death play-off, or gone fishing this week when the long, boring Lyons course was so perfectly tailor-made for his immense length. No American I have ever met would have missed the French Open if he was playing even half as well as has Barnes of late. But Brian has never been in any way predictable, and seldom much less than exasperating to one like myself who would like him to take his rightful place in world class on the other side of the Atlantic.

Conversely Barnes has been clever enough to carve out an enviable life style as a family man and complete angler in rural Sussex, so good luck to him. Strictly on the horses for courses theory Barnes' previous open form at Lytham has been none too promising. In Jacklin's year at 1969, Barnes finished 17 shots behind on 297, while in 1974, when Gary Player triumphed, Barnes was 23 strokes adrift on 305.

Lastly, the European circuit is much poorer after the tragic death here on Wednesday evening of 29 year old Spaniard Salvador Balbuena. The slender, powerful Balbuena had a fair chance of being one of the first Spanish golfers to play in the Ryder Cup match in America in September. A friendly, happy-go-lucky character, Balbuena won the 1976 Portuguese open in his first trip outside Spain. In fact he had won in Morocco against many good class Americans, and easily retained his place in Europe's top 60 last year despite only playing in eight events. His countrymen Manuel Piñero, Jose Maria Canizares and Antonio Garrido, who were with Balbuena when he died in a local restaurant, immediately withdrew, while those Spaniards who remained to compete will donate their French Open prize money to start a fund for the support of Balbuena's widow and two young children.

Handwritten signature or mark at the bottom of the page.

HOW TO SPEND IT

Smoking your own

By JULIE HAMILTON

IF YOU want to discover what a surprisingly delectable and expensive-tasting fish can be, or if you wish to sample the delights of sprat or herring pate, buy a fisherman's smoke-box. In mine I can smoke-cook a fish in a few minutes, giving it a very special taste quite unlike a smoked fish bought in a shop.

My box is like a biscuit tin. In it there is a small rack, like a cake-cooling rack. You put oak sawdust in the bottom of the box, cover it with the drip tray, then place the rack over the drip tray. Lay the fish, which you have generously salted and left to stand for half an hour, on the rack and put on the lid. Pour meths into the little container, which could be a boot polish tin, stand the box on bricks, or in a fireplace, or on a balcony. Place the meths container underneath the closed box, which is raised on a stand about brick height, and light.



The "Henry" fish-smoker, £12.25 (p+p £1.68) from the General Trading Company, Sloane Street, London, SW1. Extra bags of 500 gm sawdust are 95p (p+p £1.36).

When the meths is burned out (approx 15 minutes), open the box and check that the fish is cooked. If not quite ready, burn a little more meths under it: no need to add more oak dust.

I have a "Henry" fish smoker. It can be bought at the General Trading Company, Sloane Street, London, and at many good kitchenware shops for around £12.25. The "Abu," which is similar, can be ordered from fishing-gear shops. Alternatively, make your own, starting with a biscuit tin.

Fish cooked this way has a distinctive flavour which may well convert the fish-haters in your family. The method is rather like pressure steaming, using sawdust smoke instead of water, and I can highly recommend it, having smoke-cooked sprat, herrings, codling, coley and mackerel. Any whole fish is ideal, trout and bream being obvious choices.

Although the fish is ready to eat straight from the smoke-box, there are a number of exciting alternative dishes to be made. Sprats, for example, are wonderful cold. Add them to a hors d'oeuvre or make them into a pate.

Sprat Pate—serves 4

1 lb sprats; 5 oz double cream; 1 teaspoon dill weed; juice of 1 lemon; pinch of sugar; salt; freshly ground black pepper.

Sprinkle the whole sprats generously with salt and leave to stand for 30 minutes to an hour. Drain off any liquid that may have been drawn out by the salt. Dab the sprats dry with a kitchen towel and place them in your smoker.

Smoke sprats for about 15 minutes. Leave to get cold.

Cut off and discard the heads; put the rest through a fine food mill or an electric food chopper. Reduce the sprats to a pulp. Tip the cream into a mixing bowl, add the fish, dill, lemon and freshly ground black pepper and blend together with a wooden spoon.

Beat the mixture with the same spoon until it begins to thicken a little. Turn into ramekins and chill well before serving with toast.

Smoked Coley en Crouste—serves 6

1 lb coley; 4 ozs butter; 6 ozs small mushrooms; 3 or 4 cloves garlic; 2 pinches of rosemary; juice of 1 lemon; 1 lb puff pastry; freshly ground black pepper; salt; fat or oil for deep frying.

Smoke the coley and leave to get cold. Melt 3 ozs butter over low heat, add the mushrooms (which should be cut approximately to hazel-nut size), the garlic coarsely chopped, the rosemary, lemon and generous amounts of freshly ground black pepper. Stir and just heat through. Tip into a bowl and cool.

Flake the smoked coley, checking carefully for bones, discard the skin. Mix gently together with the mushrooms. Adjust seasoning.

Divide the pastry into six and roll out squares of seven inches. Divide the fish mixture also into six and add the remaining ounce of butter, a knob to each portion. Place one portion of fish on a pastry square, wet all four edges of the pastry and fold over to form a triangle.

Now again wet the two short sides of the triangle and fold them up half an inch or so to seal the fish completely within the pastry. It is important that there are no holes and the edges are well sealed. When you have made all six triangles, chill them for at least an hour. As near to serving time as is convenient, deep fry each triangle until golden brown. Keep warm in the bottom of a low oven. Serve with new potatoes. Spinach or French beans would go well with them, as would a green salad.

Smoked Herring Pate—serves 6

Hot smoked herring is excellent and can be served with pride to any dinner party guests who do not have their own fish smokers. No need to worry that your guests may think they are eating kippers; there is no resemblance. You can also make patés with the smoked herrings. Here are two recipes, the first using a method similar to that for sprat pate, while the Herringsalata is the most pleasing fish pate I have ever made, with a perfect texture.

2 fat or 3 small herrings; 6 oz double cream; generous pinch of cummin seed; small strip of lemon rind; 1 dessert-spoon lemon juice; freshly ground black pepper; salt.

Sprinkle herrings generously with salt. Leave to stand for half an hour or so. Then smoke as previously described. Leave to get cold. For pate, you can bone the herring either before or after smoking. (For serving whole, do not bone before smoking as they will split open during smoking and look unsightly.)

Place the boned herring, including skin and roes, if any, in an electric food chopper or fine food mill, with the lemon rind and cummin seed. Reduce to a creamy pulp, gradually add the lemon juice. Lightly whip the cream and add the fish to it, folding it in thoroughly. Turn into ramekins and chill well before serving.

Herringsalata—serves 6

1 large herring with soft roe if possible; 1 small onion; 1 large clove garlic; 6 tablespoons plain boiled long-grain rice; 6 tablespoons olive oil (Greek if possible); juice of 1/2 lemon; pinch of chopped parsley; pinch of rosemary; salt.

Salt the herring, leave to stand and smoke as previously described, but add a generous pinch of rosemary to the oak dust. When the herring is cold,

remove the bones and put it in the electric food chopper or blender, or through a food mill with the onion, garlic and cooked rice (which should be cold and dry). Reduce to creamy pulp. Very slowly add the oil beating vigorously. When three tablespoons of oil have been used, add the lemon juice, then continue with the oil. Tip into serving dish and sprinkle with chopped parsley. Serve with hot Greek bread or toast.

From rugs to riches

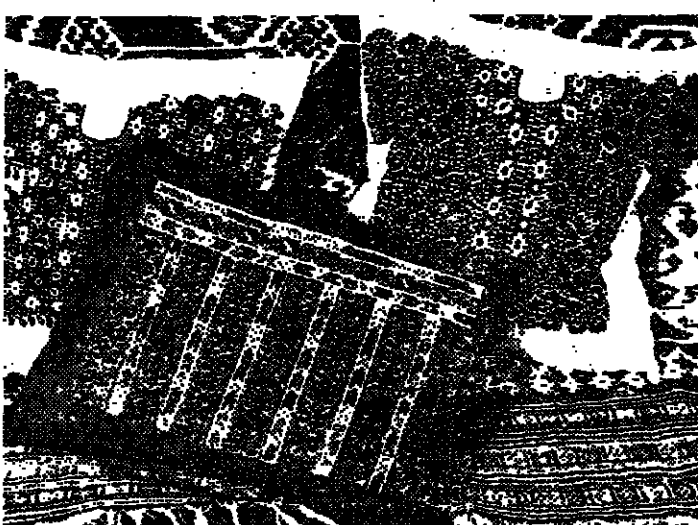
ANYBODY who has looked into the Oriental rug market over the last few years will know that if it's a good investment yours after you could hardly have done better than put your money into rugs—and on top of the rise in value people who love rugs for their own sake get immense pleasure from having them around the house.

Bert Blikslager of Lefevre and Partners, Knightsbridge (one of the auctioneers specialising in Oriental carpets belonging to the Islamic art group) sums it up when he points out that "ten years ago you paid £20 for a Kelim, regardless of whether it was good or bad. Over the past two or three years more people have come to know more about Kelims and whereas a top one might fetch between £5,000 and £6,000, an inferior one will only fetch around £200.

The moral of course, is that if you're interested in buying a rug as an investment buy only the best—the inferior ones will rise in keeping with inflation, but the good ones should well outstrip inflation.

The rate of increase applies even more to exceptional rugs—according to Bert Blikslager, a good rug will have increased in value three times over the past five years but an exceptional one will have risen in value five times.

Less well-known, though, is that textiles and embroidery are becoming more sought-after by collectors. A new shop that textile and embroidery lovers might like to know about is Bohun and Busbridge at 8, Clarendon Road, London, W1. Celia Barker-Mill, whose shop it is, began collecting and then dealing in a small way from her own home. She found that, like most people, she was originally attracted by the bold colours and strong geometric designs of Caucasian pieces. Since then her taste has moved on to the more subtle pieces.



Above: Celia Barker-Mill cutting cushion faces from a tribal Persian rug that is too badly damaged to make repairing economical. Left: set against two kelims is a group of the sort of cushions Celia Barker-Mill devises from the undamaged portions of larger rugs and textiles. At the top is part of a nomadic kelim from Shiraz in Southern Persia, circa 1900.

On the cushions are, in the foreground, a fragment of a beautiful mid-19th-century Bulgarian silk embroidery on a red cushion, and behind, a turn-of-the-century choli (Indian sari blouse) fronts, applied on cream French silk faces which reverse to Burgundy wool backs.

special collection gathered together in India by the Cambridge anthropologist Joss Graham.

If Celia Barker-Mill finds textiles or rugs that are badly damaged she often uses the undamaged pieces in an original way, transforming them into cushions or wall-hangings.

The cushions start at £27 though, most of the pieces being quite rare and very beautiful, prices of between £37 and £47 are more usual.

Collectors of rugs may also like to know that at the shop a complete rug and textile cleaning and repair service is offered. Cleaning valuable rugs is a job for the experts (in particular the cleaner needs to recognise the dyes used for the colours in chemically dyed wools are prone to run) and repairing can increase the value of a rug many times. Celia Barker-Mill feels that worn and fragile rugs are too often used on the floor whereas in her view

they have now become so rare that they are works of art rather than utilitarian furnishing items and should really be hung on the wall—not only will they look marvellous but they won't come to any further harm.

If you want to start collecting and get the feel of the market Bohun and Busbridge is a good place to start—even if you can't afford a full rug, the cushions and textiles offer a lot of decorative colour for a much smaller outlay.

Advertisement for 'comfort' chairs, featuring an illustration of a chair and text describing its features and availability.

Advertisement for 'Beautiful Hardwood Furniture', listing various items like tables, chairs, and sofas.

Advertisement for 'GOLD SOVEREIGNS AND KRUGERRANDS', mentioning 'BOUGHT AND SOLD in strictest confidence'.

Advertisement for 'Farewell to £.s.d' COMPLETE PRE-DECIMAL COINAGE COLLECTION, showing images of coins.

Advertisement for 'WHERE TO SPEND IT EVERY SATURDAY', listing various items and prices.

Advertisement for 'ONLY ON A SUNDAY' featuring 'GERMAN WINE OFFER' with a list of wine types and prices.

Advertisement for 'The Noble Grape' featuring 'PERSIAN CARPET WHARF' and 'SWISS FABRICS'.

Advertisement for 'THE NIKON SPECIALISTS EURO FOTO CENTRE' located at High Road, Cawley, Uxbridge, Middx.

Advertisement for 'pine beds by morarti' featuring 'BRASS BEDS and headboards'.

Advertisement for 'GARDEN FURNITURE' featuring 'FINEST RANGE WHITE CAST ALUMINIUM TRAD. DESIGN AT LARGE DISCOUNT'.

Advertisement for 'ANNABINA Dress Designers' announcing their original wedding dresses and other nuptial exotica.

Advertisement for 'JUST DESKS' featuring 'Period and reproduction pedestal desks, partners' desks, writing tables, daypens and desk chairs'.

Advertisement for 'THE NIKON SPECIALISTS EURO FOTO CENTRE' (repeated).

Advertisement for 'pine beds by morarti' (repeated).

Advertisement for 'GARDEN FURNITURE' (repeated).

Large advertisement for 'AMERICAN TRAVEL AND TOURISM' featuring 'A FINANCIAL TIMES SURVEY' and 'NOVEMBER 17 1979'. Includes contact information for Derek Rome and Lorraine Allen.

TRAVEL

Africa at a slow pace

BY MICHAEL CASSELL

LIKE MOST THINGS in Africa, Mount Kilimanjaro will not be hurried. For much of the most spectacular sights remains shrouded under banks of cloud and only the patient are rewarded with a view of the "roof of Africa."

Faience is a virtue likely to be frequently put to the test on any holiday taken in the Dark Continent. Kenya offers no relief in this respect, although the prizes for the visitor to one of Africa's more easy going and outwardly confident countries can be plentiful and ever-lasting in the mind's eye.

Frustration at the pace at which most things progress (traffic being the worrying exception) very quickly gives way to the realisation that time becomes pleasantly unimportant. Before long, the rule applies whether you are queuing in the change travellers' cheques (the process takes long enough without the intervention of an American who is attempting to change Rhodesian dollars to Rwanda francs), melting in the car while waiting for the Likoni ferry on the road south from Mombasa, or drinking endless cups of black night-time coffee in the hope of spotting the elusive Bongo at some secluded waterhole.

Kenya is, by African standards, a small country and yet it embraces some of the prettiest, harshest, most colourful and most dramatic scenery to be found anywhere between the Mediterranean and the Cape.

The fact that Kilimanjaro actually lies just over the border in Tanzania matters not in a country rich in its own visually exciting resources and which in any case still manages to steal some of the most memorable views of the 20,000 ft peak.

Though it is to the Indian Ocean at places like Mombasa, Malindi or Lamu, or to the great national parks of Tsavo, Amboseli or Meru that most tourists migrate in their zebra-striped VWs or battered Datsun hire-cars, there is much more waiting for the visitor prepared to strike out and away from the country's few main routes.

Nairobi, where boys sell ancient copies of Newsweek on streets renamed with confusing regularity, is the natural base for the visitor and much of what Kenya has to offer is within striking distance of its centre.

The city itself, nothing more than a handful of tents at the turn of the century, is an unremarkable assortment of old and new and though it is Kenya's capital, its heart is a small one and quickly gives way to suburbs reminiscent of the Home Counties. Towering bushes of bougainvillea, hibiscus and frangipani serve as constant reminders, however, that this is not Escher or Epsom—do the uniformed security guards in the grounds of every private house.

Driving out of Nairobi on the road north through Kikuyu land to Mount Kenya and the Aberdare Mountains, plantations of sisal, coffee and pineapple soon give way to lush mountain slopes covered with traditional

rud-built homes. The eastern wall of the Great Rift Valley gives way to deep ravines overflowing with forest waterfalls, trout streams and unpredictable red murrain roads which either choke the traveller with their dust or slow him to a slippery crawl during the rains.

These are the Aberdares, home of leopard and giant forest hog, mountain buzzards and goldenwinged sunbirds. The safari enthusiast can take his choice of a range of comfortable game lodges from Treetops to the Ark or Mountain Lodge.

The game lodges, however, are not cheap and can make substantial demands on a holiday budget which may already be somewhat strained by the air fare, but the Aberdares offer many more modest alternatives. River lodges like Naro Moru in the shadow of Mount Kenya and just ten miles south of the equator provide reasonably priced accommodation ranging from climbers' bunks to smart chalets.

To the south west, the lakes like Nakuru—home of two million damselfishes—or Naivasha, whose dark volcanic waters and emerald islands provide sanctuary for an endless variety of wildlife. Lunch at the Lake Naivasha hotel is a welcome treat after the scorching drive through the rift valley from Nairobi. Set among cooling Acacia trees, the hotel also provides a welcome stopping off point for superb glossy starlings, hornbills, sacred ibis and more than 300 species of



On the Likoni ferry across Mombasa harbour

bird life who came to watch the diners.

A similar haven can be found in the shape of Kiliguni Lodge, over fifteen grunting but worthwhile miles off the Nairobi-Mombasa road in Tsavo national park. Kiliguni enjoys (cloud permitting) panoramic views of Kilimanjaro and lies within reach of places like Mzimba Springs, famous for its hippo and crocodile communities.

This remote lodge has clearly given up the unequal battle to fend off the area's smaller, wild inhabitants, and the discovery of a preying mantis in a discarded shoe is likely to prove just as memorable as the sight of early morning sun over the nearby Chyulu Hills.

And so to Mombasa, alternatively occupied by the Portuguese, the Arabs and now the tourists, a sweltering blend of the Asian and Arabic at the heart of what has become a holiday playground for many Europeans.

Africa's coastline, with its offshore reef, white coral beaches and luxury hotels, are beyond dispute, though it is worth remembering that development is at a comparatively early stage and little in the way of entertainment exists beyond the hotels.

The temptation to wander is, however, easily resisted by settling in one of the smaller villa developments along the coast. To stay at Warandale, for example, a few miles south of Mombasa on Diam Beach, is to want to nothing with its ocean views, thoughtful staff and daily menus of crab, lobster and prawns, invariably delivered live to the door of your whitewashed, coral cottage.

Perhaps one final experience remains to be tasted—the overnight train journey from Mombasa to the capital, courtesy of East African Railways. For a modest sum, "upper class" passengers can make the journey back up from the coast and across the savannah in distinctive style.

From a dining car reminiscent of Poirat's infamous Orient Express, breakfasting travellers can watch silent black herds of Wildebeeste as they roam in early morning mist across the Kaputi Plains and reflect that such memories will remain vivid long after the tedious journey home is over.

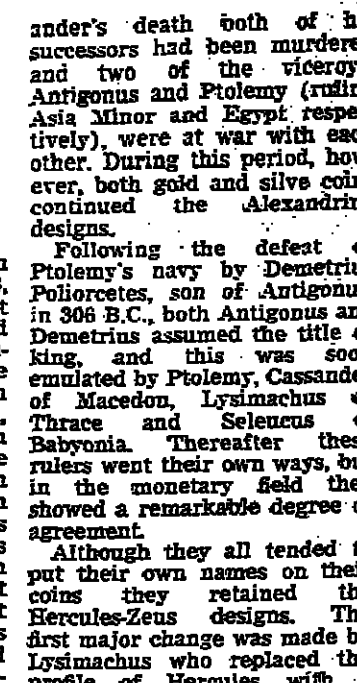
Addresses: Kenya Airways—London-Nairobi return £150. Apex British Airways—London-Nairobi return £250 low season, £284 high season. Apex. Flamingo Travel—76, Shaftesbury Ave., London W1. Warandale, PO Box 11 Ukunda, Diam Beach, Mombasa.

Ancient glories

BY THE TIME of his death in 323 B.C. at the early age of 33, Alexander the Great had not only conquered Greece and Persia but extended the boundaries of his empire along the coast of North Africa, south through Egypt into Nubia, across Arabia to the Indian Ocean, and in Asia as far as the Punjab. Had he not been stricken by fever at Babylon there is no telling where his ambition would have ended. As it was, the decade of his reign witnessed not only the most rapid conquests of the ancient world but also stupendous efforts of administration and organisation to weld the heterogeneous elements of the empire into a single entity, and this was reflected in the coinage of the Alexandrine empire.

In place of the countless mints which existed in every one of the petty states, Alexander established 20 imperial mints and strove to standardise the coinage. The gold stater and double stater had uniform motifs of Athena and Victory on obverse and reverse, while the silver tetradrachm and its subdivisions usually depicted Hercules and Zeus. Despite the overall uniformity of these coins, however, there is plenty of variety in the mint marks and the symbols of the magistrates and moneymen. The most important mint, Amphipolis, is estimated to have used more than 700 obverse dies and 1,200 reverse dies in a period of 18 years alone. It has been deduced that Amphipolis produced some 13m coins and it is not surprising that Amphipolitan tetradrachms are reasonably plentiful in fine condition to this day.

Alexander never had time to consolidate his empire and after his untimely death it rapidly fragmented. Nominal rulers were Philip III, Alexander's epileptic half-brother, and Alexander IV, his posthumous son, but real power lay in the hands of four generals who soon effectively carved up the empire among themselves. Within a few years of Alexander's death both of his successors had been murdered and two Antigonus and Ptolemy (ruling Asia Minor and Egypt respectively), were at war with each other. During this period, however, both gold and silver coins continued the Alexandrine designs.



Second century B.C. Greek tetradrachms

COINS

JAMES MACKAY

have been some kind of taboo regarding the portrayal of living rulers, and Lysimachus and his descendants were quite content to go on depicting Alexander and Athena, though subtle differences in the inscriptions reflected the evolution of the Hellenistic Kingdom of Thrace into the powerful state of Byzantium. Thus tetradrachms of the 2nd century BC in the name of King Lysimachus have the initials BY inscribed on a ribbon around the goddess Athena (now Istanbul).

Glendinning's sale of ancient coins on Wednesday includes some fine specimens of tetradrachms issued in the lifetime of Alexander himself, as well as examples of the Thracian and Byzantine tetradrachms bearing his godlike portrait. The other Hellenistic Kingdoms are also well represented in this sale. A gold triobol of Ptolemy I of Egypt, dating from the period immediately after his defeat by Demetrius Poliorcetes, broke with tradition by featuring Ptolemy's own profile on the obverse, though the reverse, showing an eagle and thunderbolt, continued the Alexander to Zeus found on the Alexandrine coins. The eagle and thunderbolt motif continued on Egyptian coinage till the turbulent reign of Ptolemy XIII and tetradrachms from his two reigns are also featured in this sale.

Byways for the single traveller

ONE CATEGORY of traveller who has to read the "small print" even more carefully than most is the one who goes it alone. And there are quite a few of us who, for one reason or another—business, personal preference, force of circumstance—move about the world singly, a privilege for which we sometimes have to pay heavily.

Though it is obvious that one person does take up rather more space than half of two as it were, it still doesn't seem to justify the very high single room supplements that apply to a high proportion of arrangements. According to my researches, these can vary on a two-week package from a few £s to around £200. One tour operator told me quite proudly that, if you were lucky, your supplement might earn you a double room all to yourself. Most of us would probably settle for the certainty of a single room and less price discrimination.

The fact is that, in a world-wide industry that can produce some extraordinarily imaginative ideas when it wants to, few hoteliers or travel firms have taken up the cause of what is, after all, a very substantial minority. Of course there are exceptions. The current Get-away year-round programme of Best Western Hotels (formerly Interchange), a substantial consortium of independent establishments, has dispensed completely with single-room

supplements. There are other exceptions, but not many.

Some efforts have been made on long-distance arrangements on which single-room supplements can be very high indeed. The current Far Away programme of Thomas Cook, for example, waives such supplements (amounting up to £190 on a 15-day package) in the Seychelles, Bermuda, Antigua, St Lucia and the Kenya resorts of Nairobi, Mombasa and Malindi. This concession applies to certain seasons but they are not, as the wary might suspect, the least attractive ones. British Airways' Enterprise programme offers similar concessions, usually for early summer and/or autumn departures to a number of destinations nearer home. Possibilities include Hammamet in Tunisia (savings of £21 a week) and Funchal, Madeira (£5 per night).

Broadly speaking, the glossier the hotel or the more affluent the country, the more a single traveller has to pay for his status. The countries that score best are those of East Europe (but also, rather surprisingly, Switzerland) where single-room supplements in good hotels may be only £1-£2 per night; in Scandinavia they can be half as much again (or more) than a share in a double room. This is strongly reflected in package tour prices though these do additionally soften the blow a bit. Many of the big tour operators' arrangements in the

popular resorts of Spain, Italy, Greece, Yugoslavia and Austria also come out of it quite well; Tjæreborg's average single room supplement is £9-£11 per week, for example.

So much for hard cash aspects. But travelling alone presents some of us with the simple human problem of how not to feel alone. The Bachelors Abroad programme of Euzko Sky is entirely devoted to single men and women, with an effort made to ensure a reasonable balance of ages, sexes and wide range of occupations to get as compatible a party as possible. Destinations include popular European resorts, plus Kenya, Barbados, Thailand, an escorted U.S. tour and a series of P&O cruises. Note, however, that accommodation is based on shared twin-bedded rooms. A recent arrival on my date in the programme of Inside Greece, whose enthusiasm may well compensate for its youthfulness and who arrange among other things, two-week taverna holidays in Greece for "singles" in the 17-30 age group.

Other tour operators provide some opportunities to help break the ice on their standard tours. On quite a number of their departures to European, North African and Atlantic island destinations, Enterprise put on a welcome get-together, a candle light dinner and a surprise excursion for their lone travellers. No doubt there are similar offers I don't know about and, if so, I shall be glad to hear information.

From much rattling round the world under all sorts of circumstances, I have reached one firm conviction as far as single travellers are concerned. And that is that the most successful kind of holiday of all is likely to be the one in which an interest can be shared with like-minded souls. Age, sex and occupation become extremely unimportant when you are trying to find some obscure Alpine flower or stalk a rare species of bird or discuss the merits of a Wagner or Mozart performance or sort out the lay-out of some archaeological site. By the nature of what is offered, these arrangements are never cheap and single room supplements on a one- or two-week package can easily add another £20-£70; but the returns on such investment can be very high indeed.

Further information: Best Western (Interchange) Hotels, Interchange House, 26 New Road, Richmond, Surrey; Thomas Cook, Thorpe Wood, Peterborough PE3 4BB; Enterprise Holiday, PO Box 410, West London Terminal, Cromwell Road, London SW7 4ED; Tjæreborg, 7-8 Conduit Street, London W1R 9TG; Bachelors Abroad, Monica House, Cromborough Hill, Cromborough, Sussex, TN6 2SD; Inside Greece, 26 York Street, London W1H 1FE. Special interest tour operators include: Cox and Kings, 46 Marshall Street, London W1V 2PA; Heritage Travel, 22 Hans Place, London SW1X 0EP; Swan Hellenic, 237-238 Tottenham Court Road, London W1P 0AL. SYLVIE NICKELS

FISHING

ARTHUR SANDLES

DURING THE first week of the season I visited the Test three times, and only on the last occasion did I put my rod together and cast a fly. The target, an unidentified fish which broke surface twice, obviously had other things on his mind, and took no notice of my fly, which in any case was probably hard to see in the murky water. In any case it was so cold and the wind so strong that all the fish were probably curled up around stones on the bottom, thinking it was still February.

There is plenty of water, in fact the bournes which fill the chalk streams have been brimming since early February, but there has been no weed growth, and without this to filter out the

silt and check the flow most stretches are running like salmon rivers. Once the weed does grow I expect the banks will be very flooded.

Although I was wearing the latest adjustable polarised glasses I only saw one fish during a slow walk up the bank but I understand there are plenty more known early May so bad, and can only conclude that with the water so cold the fish are not interested in feeding on anything.

The Wye has been even more disappointing. For the last month river levels on my beat have been about right but only one fish has been caught and two or three lost. In three out of four I have seen no fish at all, at a time of year when normally there are any amount to be seen, even if they cannot be caught.

The latest evidence from that river is that since the season started some 322 fish have been

recorded as being caught by its rods until the end of April whereas at the same period last year the number was 2,265. This spectacular decline has been seized on by "The Atlantic Salmon Research" as evidence for the need for further measures to conserve salmon. The Trust is now appealing for £500,000 to try and rectify the overall decline in the salmon population.

While in no way decrying the Trust's efforts I do still think that the present most serious decline in the Wye salmon population is largely due to the 1976 drought, which must have killed off enormous numbers of smolt and parr in the upper reaches of the river. Some of the smolt which would have entered the sea in 1976 should have been returning as grise last autumn, and larger fish now. This as well as the well publicised ocean catching of salmon off Greenland and elsewhere have obviously depleted stocks.

The Trust underlines in its appeal that as yet very little is known about the essential ingredients necessary to maintain or increase the natural population. I would have thought it pretty obvious that the major impediment to rivers swarming with salmon was quite simply the activities of man. The salmon not only have to avoid fishermen off Greenland, or wherever they go to feed, but the drift netters off shore both legal and illegal and the legal net fisheries at the mouths of nearly all salmon rivers, or say nothing of the poachers.

It does seem absurd to attack the foreigners while the owners of river net fisheries are allowed to carry on as if nothing was happening. I know that their interest is commercial while mine as a rod angler is purely recreational. But those who own the beats and in particular the authorities which collect the rates on them, do represent a very important economic interest.

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COLLECTING

CHESS

LEONARD BARDEN

THE ANNUAL international in the small Californian township of Lone Pine, conceived and financed by the resident chess patron Louis D. Statham, has developed within a few years into perhaps the most celebrated regular tournament on the chess calendar outside official world championship events. This year's Lone Pine achieved a new record of 27 competing grandmasters among the 73 players while the prize fund of \$45,000 was the largest ever apart from world title matches and the recent Montreal tournament.

Korchnoi's entry this year led to a walk-out by the Soviet representatives Czechoslovak and Romanov. The arrival of Lone Pine but did not play. The other East Europeans continued normally and the top prizes ended in a four-way tie among Liberson (ex-USSR, now Israel), Gheorghiu (Romania), Gligoric (Yugoslavia) and Hort (Czechoslovakia) on 6½ out of 9.

Five players, among them last year's winner Larsen, scored 6 points; Korchnoi, who lost to Liberson and Lombardy in successive rounds, totalled 5½; and Tony Miles made a disappointing 5.

Lone Pine's large disparity between major and minor prizes (first was \$15,000, tenth only \$250) stimulates lively and enterprising chess below the top places but encourages extreme caution at the end among those expecting to win. Thus Liberson and Hort, joint leaders with a round to go, played a symmetrical exchange variation of the French Defence (1 P-K4, P-K3, 2 P-Q4, P-Q4, 3 P-P3 while Gligoric and Larsen, the latter half a point behind, both went for victory and the game was only drawn after a full five hour session.

One striking success at Lone Pine was the veteran Reshevsky, now 67 and advised by doctors to give up chess, who more than held his own against several opponents young enough to be his grandchildren and totalled 5½ including a win from Miles and a draw with Korchnoi.

A notable result was by the 19-year-old U.S. Junior Yasser Seirawan who met all four winners, beat Larsen, and achieved the grandmaster norm equivalent to a 250 British grade. He lost only one game, and that was one of the best strategic wins of the tournament. Hort's play is a model of how to create and exploit weaknesses in the light or dark squares in the opponent's position.

White: V. Hort (Czechoslovakia). Black: Y. Seirawan (U.S.). Opening: French Defence (Lone Pine 1979).

1 P-K4 P-K3; 2 P-Q4 P-Q4; 3 N-Q2 N-Q3 (though a book reply, this is probably inferior to P-QB4 or N-KB3); 4 KN-B3

N-B3; 5 P-K5, N-Q2; 6 B-K2, N3-N1 (artificial, but the main line); 7 P-B3; 7 P-P, QxP; 8 N-B1, P-K4; 9 N-K3, P-K5; 10 NxQP, Q-Q3; 11 B-QB4 favours White); 7 P-KR4! Hort instinctively plays to exploit Black's slow development by weakening the dark squares. Black's reply underestimates the danger and he should prefer: 7... P-QB4; 8 P-B3, N-Q2; 9 P-B3, P-KR3; P-QN3; 8 P-R5, P-QB4; 9 P-B3, PxP; 10 PxP, B-R3 (P-KR3 is still better though 11 N-R4 is now a strong answer) 11 P-R6, P-N3; 12 N-B1 (already positionally decisive. White's knight heads for the hole on KB6). B-K2; 13 B-Q2, BxR; 14 QxR, N-QB3; 15 R-B1, R-QB1; 16 N1-R2, Q-B2; 17 0-0, 0-0; 18 N-N4, Q-N2; 19 R-B3, N3-N1; 20 B-N5! (classical strategy—White exchanges the best dark square defender). Ex: 21 NxB, Ex: 22 P-R, Q-B1; 23 R-B1, N-QB3; 24 Q-N5! (with the point that 24... NxQP falls to 25 QxN1 QxQ; 26 N-B6 ch, K-R1; 27 NxQ attacking the rook and so countering... N-K7 ch), K-R1; 25 Q-R4, N-B4; 26 Q-R3 (still the dark square theme), Q-Q1; 27 P-RB4, K-N1; 28 Q-Q6 (agass threatening QxN) K-R1; 29 N-B6 ch, NxN; 30 NxP ch; 31 QxQ ch (Black should resign here. The rest is a formality), N-N1; 32 Q-K8, R-K3; 33 Q-KB8, N-B5; 34 K-B2, N-Q7; 35 K-K3, N-B5 ch; 36 K-K2, P-QN4; 37 R-QN1, P-R3; 38 P-R4, R-Q2; 39 PxP; PxP; 40 R-P, R-R2; 41 R-N8, R-R7 ch; 42 K-K1, Resigns.

Paper likenesses

BY JUNE FIELD

GIVE AN 18th century girl a pair of scissors and a pot of gum and she was in her element, for the art of cutting paper was in its heyday in the late 1700s. The only tools needed in addition were razor-sharp and pointed quill knives in various sizes, plus a hone and oil for continual sharpening.

Princess Elizabeth (1770-1840), the seventh child and the fourth daughter of George III, was an ardent paper cutter in pictures, shadow perforations and pin-pricking.

She was no unconsidered amateur either, as *The Westminster Magazine*, December 1781, reproduced as a front-piece a profile of her father which must have been cut when she was little more than 10 years old. She also cut some genre and other pieces in the silhouette technique, which are still preserved in an album in the Royal Collection.

Some of her work as a profligate is illustrated in the magnificent *British Silhouettes, Artists and their work 1760-1860* by Sue McKechnie, an acknowledged expert on the subject, who died recently. The marathon work was recently published by Sotheby Parke Bernet/Philip Wilson, £88.00 plus £2.50 postage and packing, from Philip Wilson, Russell Chambers, Covent Garden, London WC2. You can tell by the price of the book that it is the largest, heaviest, and by far the fullest and most extensively illustrated study of British silhouettes ever published. It has obviously taken years of research. I see by my notes some nine years ago after seeing Jack Pollack's fine collection of silhouettes that he told me she was writing it then.

It is not a book for absorbing at an initial study, but a definitive dictionary of artists, galleries and sitters to be delved into for impeccable documented information as required. A valuable innovation is a detailed, illustrated reference guide to British costume of the period, designed to provide one with a means of dating unsigned or unlabelled silhouettes.

Mrs. McKechnie also discusses types of frame, jewellery settings, copies and fakes, and most important, defines the techniques of the work which were a part of life in the 18th and 19th century, made by amateurs as well as by professional artists. The earliest silhouette artist is recorded as Korinthea (fl. 1800 BC), a Corinthian girl whose father was a potter named



Niccolo Paganini, cut silhouette by Augustin Edouart, Edinburgh, 1832. Illustrated in Sue McKechnie's *British Silhouettes Artists and their Work 1760-1860* (Sotheby Parke Bernet/Philip Wilson, £88).

musician, Gilles Louis Chretien. The Silhouette Collector's Club, started 10 years ago, is a flourishing organisation costing £1 a year for membership. Inquiries Bill Fox Smith, Secretary, 11, Alfred Street, The Hoe, Plymouth. Silhouettes at auction are usually grouped with miniatures, and sales of them are held periodically at Christie's and Sotheby's, where prices appear to be in the £30-£180 range.

Christie's last sale included works by John Field (1722-1848), most famous of silhouette artists, and at Sotheby's on April 30 there were various likenesses by John Miers (1758-1821) the finest and most widely known profligate of the 18th century. (John Field was first assistant to Miers, then went into partnership with his son William, after which he worked under his own name).

Sotheby's Sale by Auction

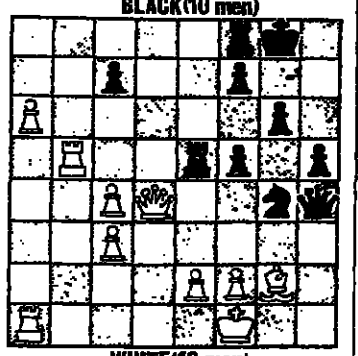
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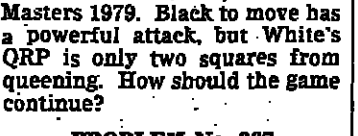
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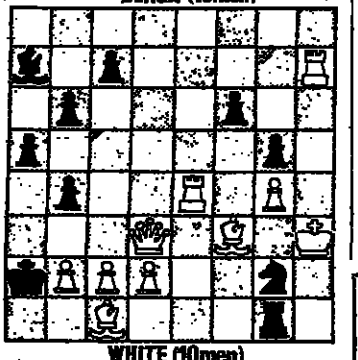
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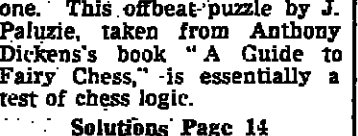
WHITE (10 men)



PROBLEM No. 267



WHITE (10 men)



White moves and mates in one. This offbeat puzzle by J. Paluzie, taken from Anthony Dickens's book "A Guide to Fairy Chess," is essentially a test of chess logic.

Solutions' Page 14

The tough game

BRIDGE

F. P. C. COTTER

YOU WILL FIND The Tough Game (Faber £5.25), H. W. Kelsey's latest work, most enjoyable, but it will make demands upon your concentration and analytical ability. If you measure up to these demands, you will find your game much improved after you have finished the book. We start with this:

N.	10 3	E.	9 5 4
Q	10 4 2	K	6
A	K J	10 8 4 2	
A	9 7	K 5 3 2	

W.	6 2	E.	9 5 4
K	10 4 2	K	6
A	9 7 3	10 8 4 2	
A	6 5	K 5 3 2	

N.	10 3	E.	9 5 4
Q	10 4 2	K	6
A	K J	10 8 4 2	
A	9 7	K 5 3 2	

With neither side vulnerable, North bids one no trump. South replies three hearts, and North rebids four clubs—a cue-bid agreeing hearts as trumps—South says four spades, and after another cue-bid of five diamonds from his partner, he bids six hearts.

West led the Queen of clubs—what line of play do you suggest after winning with dummy's Ace?

There is, of course, a trump safety play to be considered. You can lead the heart two and cover any card that East plays—this guarantees that you will not lose two tricks in trumps. It is not unreasonable to try the spade finesse, and if it succeeds, employ the safety play in trumps, but the percentage play is to attempt an elimination.

At trick two you ruff a club, and cash the heart Ace. Both defenders follow, but the King does not drop. However, if West has the King, you are almost certain to make your slam. You cross to the table with a diamond to the King, and ruff dummy's last club, then you cash your two diamond winners, and exit with a trump. West wins, and is endplayed. A club return gives a ruff discard, and a spade return gives you three tricks in that suit.

Should East have the heart King, you fall back on the spade finesse, but your method has given you more chances than the finesse at trick two.

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PHILLIPS WEST 2 Thursday, 17 May, 10 a.m. FURNITURE, PORCELAIN & WORKS OF ART. Cat. 37p by post. View: Wednesday, 9.00-7.00 & morning of sale.

PHILLIPS MARYLEBONE Wednesday, 16 May, 12 noon. COLLECTORS' ITEMS. Cat. 37p by post. View: Tuesday, 9.4-0 & morning of sale.

Friday, 18 May, 10 a.m. FURNITURE & OBJECTS. Cat. 37p by post. View: Thursday 9.00-4.00.

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Henry Wilson (1864-1934), architect, sculptor, metalworker and jeweller, is chiefly remembered for his characteristic jewellery designs incorporating the use of enamel with cabochon stones. Although he trained as an architect and worked as chief assistant to I. D. Sedding, succeeding to the practice in 1891 at the time of Sedding's death, his interests turned to metalwork and jewellery from about 1890. He joined The Art Workers Guild in 1892, becoming Master in 1917 and President of the Arts and Crafts Exhibition Society in 1915 after exhibiting with the Society regularly since 1889. The silversmith John Paul Cooper is numbered amongst his pupils.

The pendant is included in a sale of Important Jewels on Wednesday, May 23. For further information on this sale and other sales of this kind, please contact Albert Middlemiss or Michael Lampon at the address below.

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ARTS 1

Settling for style among the oldies

Sir Arthur Pinero, Oscar Wilde, Graham Greene, Evelyn Waugh, Sylvia Townsend Warner, Joyce Cary...

RADIO

ANTHONY CURTIS

Joyce Cary was another stylist who is, I suspect, not read as widely now as during his lifetime. A second chance to hear David Lynton's feature...

poems on Radio 3 (May 9) in the interval of the Schubert and Britten concert in which he was singing. He described her in her later years as looking like a very delightful witch...

Another wise, witty and much-loved lady, Miss Hermione Golding, spoke in Cleveland, Ohio, to Sue MacGregor in Conversation Piece (Radio 4 UK, May 7) during a 30,000-mile tour of America of Side by Side with Sondheim...

The week's drama has ranged from a way-out piece in Drama Now by Barry Bermange to William Fox's charting of that fluctuating fortunes of that actor-turned-soldier Charles Houlton in Constant Ed Water (Radio 4 UK, May 7)...

At last the arts has a powerful and persuasive spokesman in the Cabinet. Antony Thorncroft talks to Mr. Norman St. John Stevas

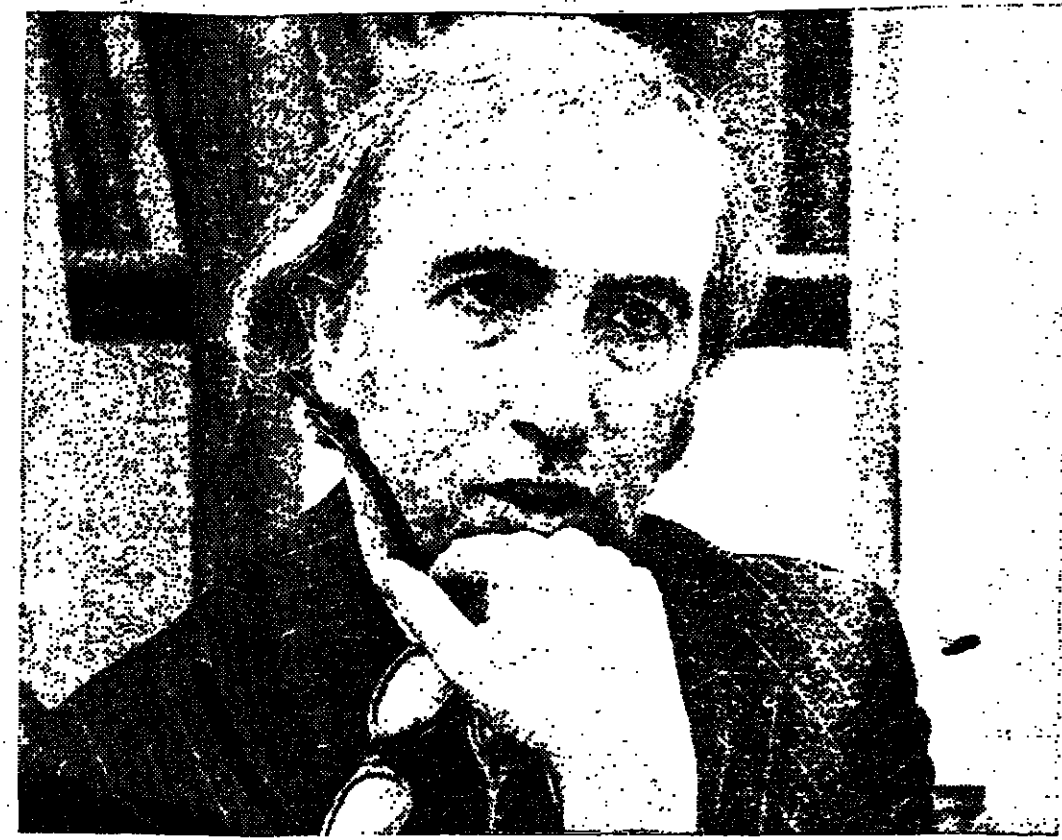
A champion in high places

The change in Government marks "a big change in direction for the arts and a great opportunity." So says Norman St. John Stevas...

He has no plans to ask for another Minister at present, and although his 50 strong department straggled away from his own Whitehall office in part of Education and Science, poses a logistical problem...

Cash is, of course, the key issue. Mr. St. John Stevas sees the Arts Council as always being the basis of Government spending on the arts and one of his first tasks will be to get the Arts Council to get money for the arts...

"It is always better to have two masters and I would like to see more than one source of support for the arts," says Mr. St. John Stevas, but a great deal of any further financial involvement by individuals and companies will probably come through his own contacts and championing of the arts, rather than through legislation...



Norman St. John Stevas

than through legislation. He has no intention to rush into anything—"we have plenty of time"—and as a first step is anxious to hear the views of all those involved in the arts. The mass of letters and telegrams on his desk are witness to the enthusiasm with which his appointment has been received...

Mr. St. John Stevas takes a lead from his revered Bagehot's view of the role of a constitutional sovereign, "to be consulted, to encourage, and to warn," but he does have a list of matters that interest him more than most...

Mr. St. John Stevas is interested in the idea of a new London orchestra which will prove once and for all that London is the musical centre of the world in quality as well as quantity. His ideas on funding the new orchestra do not necessarily involve the Arts Council...

On the effect of VAT on the arts, in particular on the theatre, Mr. St. John Stevas is less optimistic. "My hopes are greater than my expectations," mainly because the Treasury would bitterly oppose any exemptions. But in the arts, in most things, the men are more important than the measures, and the big gain for the arts world in the new appointment is the fact that an ambitious and knowledgeable supporter of the arts in their widest context has the responsibility for nurturing them...

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Mahler's Ninth

The performance of the Ninth Symphony at the Festival Hall on Thursday reached to the roots of the music. The London Philharmonic Orchestra was prodded by Klaus Tennstedt's anxiously probing, prescient baton into playing with a fervour that in these Mahler-crowded days will often have to forgo. Mr. Tennstedt possesses the supreme Mahlerian gift of revealing the music in combination and quality of timbres as much as in control of tempo.

MUSIC

MAX LOFFERT

There was an unassuageable trenchancy, ferocious and briny, about the pile of sonatas for all four movements. Though no skimping of tone was permitted in any department—the attack and articulation of strings were indeed of unusual full-bloodedness for a London orchestra—

Mr. Tennstedt and the players provided a painful illumination of how little instrumental padding there is in the music, how in even the biggest climaxes of the first movement the instrumental strands remain lacertinely distinct rather than comfortably blended.

The dark character of the performance meant, accordingly, a certain denial of those passages in the symphony where hope seems to preface, however illusorily, temporary sunshine. The music was the least consolatory I have ever heard of its pp-molto expressive strains undervalued, the disruptions of D flat sweetness given sharp focus, and the final evanescence of the music not so much a relief as a collapse. If this was, finally, an incomplete account of the work (Wilfrid Mellers writes in his book on Mahler's music that in late Mahler "out of harmonic disintegration grows a seed"), it was still one of the most remarkable, most searchingly honest of vision to be heard in this hall for many years. It is being repeated by LPO tomorrow afternoon.

Ekkehard Schall

Ekkehard Schall, whom the lucky ones among us have seen as Coriolanus, the even luckier as Arturo Ui, is at Hammermith for a short season in a programme of songs and poems by Brecht which he calls "from laughing about the world to living with the world." Brecht recitals have been a bit of a

Communist programme, that is, but the slant need not upset anyone unless, like me, they wish that today's writers would write less verse like "Communism is the moderate way" and more poetry like "The glories of our blood and state are shadows, not substantial things."

I can't pretend to be an admirer of Brecht—well, let's face it, my German is only enough to have given me an approximate feeling of the items for which a translation isn't provided, and no doubt there are jokes and aphorisms aplenty that passed me by. But an admirer of Mr. Schall I am, of his economy, his variety, his repose in such pieces as "Children's Crusade," his likeness in the dance with the scimitar to the "ballad of the wife and the soldier."

The composers represented are Brecht himself, Hans-Dieter Hossala (who accompanies Mr. Schall at the piano), Weill, Eisler and Dessau. Eisler comes out top easily; the Wagnerian harmonies of the "German mother's song" turn it almost into an art song instead of a cabaret number.

CABARET

B. A. YOUNG

drug on the market lately, but they are not all like this.

Mr. Schall, quintessentially German with his cropped hair, stands before us in the sparse surroundings of the smaller theatre at the Riverside Studios and sings and speaks without a break for nearly an hour and a-half. His programme contains few of what we think of as popular favourites. It is a political programme, a Communist programme, that is, but the slant need not upset anyone unless, like me, they wish that today's writers would write less verse like "Communism is the moderate way" and more poetry like "The glories of our blood and state are shadows, not substantial things."

London Handel Festival will open at the Queen Elizabeth Hall on June 9. The festival, sponsored by MK Electric Holdings, then moves to St. George's, Hanover Square.

TV RATINGS

Table with columns for TV programmes and Nielsen ratings.

Chess Solutions: Solution to Position No. 267. 1. BxR, PxB with the winning threat of Q-R5 mate. If QxP, QxP mate, or if Q-R5, P-R5, White played 4-K-N2 and resigned after Q-R7 ch (5-K-B1, Q-R8 mate). Without the preliminary 1...P-B4! White could decline the sacrifice by Q-Q7.

Black king could not have reached Q7 (or Q8 or Q9) legally, past the unmoved white QB and pawns; place the king anywhere else on the board and there is a mate in one.

WEEKEND CHOICE

For those interested in soccer but lacking a Wembley ticket cup-final, as usual nowadays, are dominated as much by a broadcasting contest as a football contest. ITV and BBC I both start their build-up at 11.30. Both channels cover the match at 3.00. At 9.55 the BBC 2 will start a rare series of Jazz, introduced inevitably by Humphrey Lyttelton.

SUNDAY

The Forsytes, the Onedins, Brothers and Telfords have all occupied the 7.15 Sunday supper slot on BBC 1; now it is taken over by a new Family Affair, that of the Barnes, led by Barry Foster as Richard. It clashes precisely with BBC 2's recent annual "On Britain's recent annual" (5-K-B1, Q-R8 mate). Without the preliminary 1...P-B4! White could decline the sacrifice by Q-Q7.

TV Radio

Indicates programmes in black and white

Table with columns for TV and Radio programmes and times.

Wales: 8.40-9.05 am Teifant. 6.10-6.15 pm Sport/News for Wales. 11.55 News and Weather for Wales.

Northern Ireland: 6.10-6.15 pm Sport/News for Northern Ireland. 11.55 News and Weather for N. Ireland.

Table with columns for BBC 1 and BBC 2 programmes.

LONDON

Table with columns for London theatre programmes.

5.50 News. 6.00 Happy Days. 6.30 Kidnapped. 7.00 Chips. 8.00 Celebrity Squares. 8.30-Lovely Couple. 8.40 Police Woman. 10.00 News. 10.15 Road Dahl's Tales of the Unexpected. 10.45 Russell Harty. 11.45 On the Road. 12.45 am Close.

ANGLIA

9.35 The Great Outdoors. 10.00 Club. 10.30 News. 10.45 News. 11.45 On the Road. 12.45 am Close.

ATV

9.10 am Beyond the Moon? 9.35 The Great Outdoors. 10.00 Club. 10.30 News. 10.45 News. 11.45 On the Road. 12.45 am Close.

BORDER

9.00 am The Six Million Dollar Man. 9.30 News. 10.45 Barney Miller. 11.15 On the Road. 12.45 am Close.

CHANNEL

11.18 am Puffin Pia (11.18). 6.05 Fantasy Island. 7.00 Mark and Mandy. 7.30 Kidnapped. 8.00 Veges. 11.45 On the Road. 12.45 am Close.

GRAMPIAN

9.00 am Sesame Street. 10.00 Thunderbirds. 11.00 Children's Matinee. 11.30 News. 12.30 Scottish Cup Final. 1.00 News. 1.30 Scottish Cup Final. 2.30 News. 3.00 Scottish Cup Final. 4.00 News. 4.30 Scottish Cup Final. 5.00 News. 5.30 Scottish Cup Final. 6.00 News. 6.30 Scottish Cup Final. 7.00 News. 7.30 Scottish Cup Final. 8.00 News. 8.30 Scottish Cup Final. 9.00 News. 9.30 Scottish Cup Final. 10.00 News. 10.30 Scottish Cup Final. 11.00 News. 11.30 Scottish Cup Final. 12.00 News. 12.30 Scottish Cup Final. 1.00 News. 1.30 Scottish Cup Final. 2.00 News. 2.30 Scottish Cup Final. 3.00 News. 3.30 Scottish Cup Final. 4.00 News. 4.30 Scottish Cup Final. 5.00 News. 5.30 Scottish Cup Final. 6.00 News. 6.30 Scottish Cup Final. 7.00 News. 7.30 Scottish Cup Final. 8.00 News. 8.30 Scottish Cup Final. 9.00 News. 9.30 Scottish Cup Final. 10.00 News. 10.30 Scottish Cup Final. 11.00 News. 11.30 Scottish Cup Final. 12.00 News. 12.30 Scottish Cup Final. 1.00 News. 1.30 Scottish Cup Final. 2.00 News. 2.30 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RESIDENTIAL PROPERTY

FLORIDA INVESTMENT OPPORTUNITY

2240 Prime Acres at \$4464 per Acre. Buy all or part. This property is located in the midst of Florida's East Coast growth area near the Kennedy Space Centre.

Bell-Ingram

FOR SALE PRIVATELY. Stirling 11 miles - Dublin 3 1/2 miles. DUNBLANE PERTHSHIRE. A VALUABLE AGRICULTURAL AND SPORTING INVESTMENT.

Your NEW LIFESTYLE starts here - with a Fernden Leisure Pool.

Whether you swim, paddle, dive, splash or just have fun, Fernden can provide a pool designed to suit you, your garden and your pocket.

FOX & SONS

NEW FOREST DAIRY & STOCK FARM - 509 ACRES. HOME FARM, BRAMSHAW, HAMPSHIRE. 18th Century Farmhouse, 3 good Cottages & Buildings.

FOR SALE

Morne Pimart, St. Lucia. 50-acre Freehold site overlooking the Caribbean Sea, Rodney Bay and Reduit Bay.

THE COLONNADES

Selection of 1/2 bed flats and a magnificent 3/4 bed maisonette. MARTIN HART & CO.

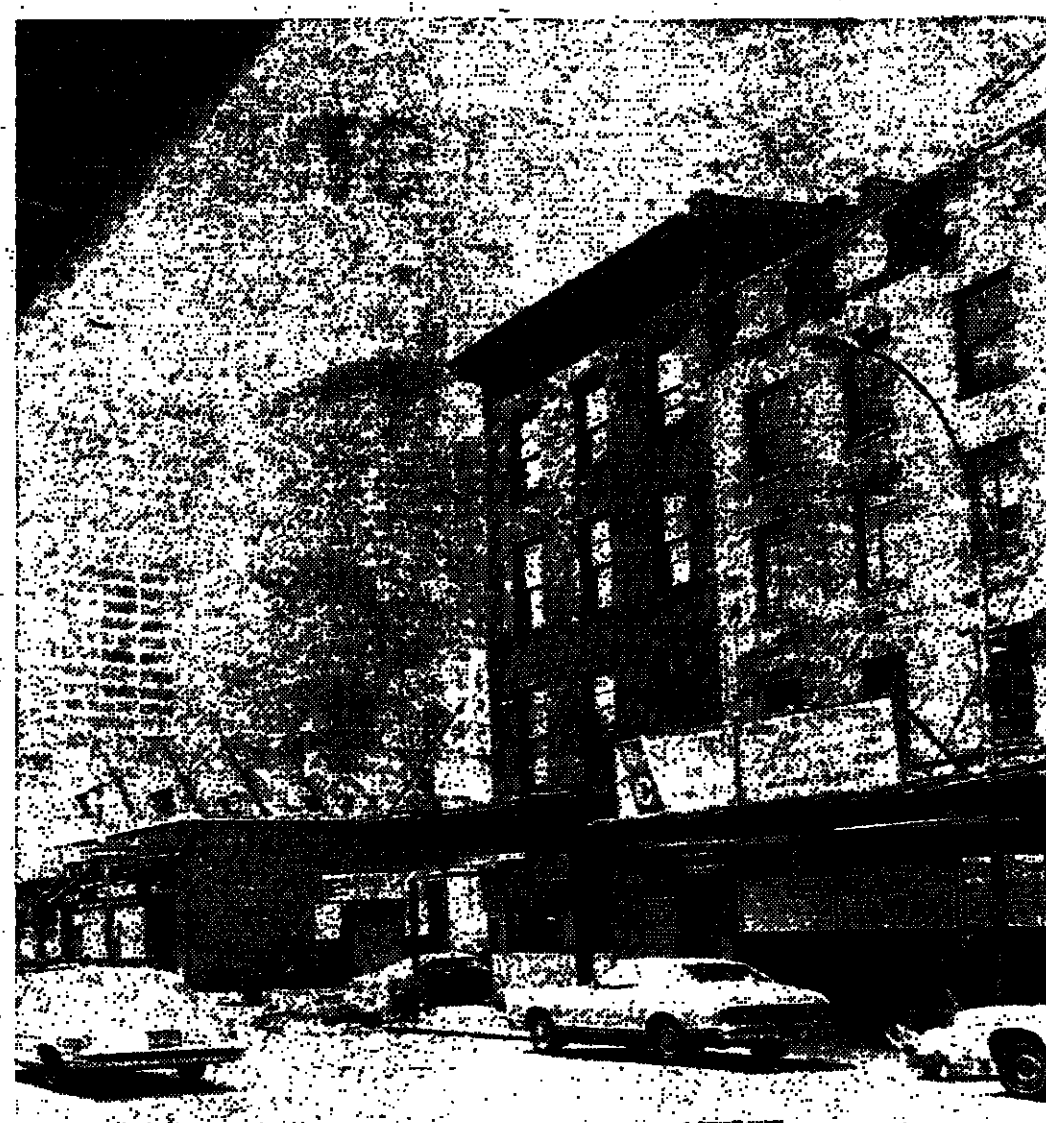
ARTS 2

Saving South Street

It is easy enough to visit New York, be an assiduous tourist and never even suspect that the South Street Seaport exists.

NEW YORK

The other relatively recent interest represented in the area is that of the South Street Seaport Museum.



in Boston—restores commercial activity but within a planned, homogenous, even bland, environment, however carefully designed.

A Tickle on the River's Back

Nick Darke's documentary play about Wapping lightermen runs into trouble when called at the Theatre Royal, Stratford East, suffers from a fatal whiff of earnest research.

THEATRE

MICHAEL COVENEY

There exists no comparable cohesion in the work of Mr. Darke and his director, Jules Wright. The ostensible backbone of this piece about life on the river is a contrast between the generations who work on it.

A bed tops £9,000

English furniture collected by the late Frederick Pike, the founder of Everybodys magazine, sold at Sotheby's yesterday for £165,670, a good total for just 68 lots.

CONCERTS

London Philharmonic and London Symphony Philharmonia. BOOKING OPENS during the coming week for the following concerts in THE 4 ORCHESTRA SERIES.

ROYAL ALBERT HALL. VICTOR HOCHHAUSER presents TOMORROW AT 7.30 TCHAIKOVSKY. Sleeping Beauty, Swan Lake, Nutcracker Suite.

ROYAL FESTIVAL HALL. VICTOR HOCHHAUSER presents ORCHESTRE DE PARIS CHORUS OF THE ORCHESTRE DE PARIS DANIEL BARENBOIM.

Georgian State Dance Company. Wembley Conference Centre. NIGHTLY at 8 p.m. SATURDAY 4.45 p.m. & 8 p.m.

WIGMORE HALL. Tickets from Wigmore Hall, 36 Wigmore Street, W. (01-535 2141). Manager: William Lym.

ROYAL ALBERT HALL. VICTOR HOCHHAUSER presents SUNDAY 20 MAY at 7.30 MENDELSSOHN.

ROYAL CHORAL SOCIETY. Conductor: MEREDITH DAVIES. BURGON: VENI SPIRITUS.

Countries represented at DURHAM ORIENTAL MUSIC FESTIVAL. 4-17 August, 1979.

ROYAL ALBERT HALL. VICTOR HOCHHAUSER presents SUNDAY 27 MAY at 7.30 MUSIC AND DANCE FROM THE BALLET.

Maazel conducts Mahler. ROYAL FESTIVAL HALL. May 29 at 8 p.m. Symphony No.10 (adaptation).

VICTOR HOCHHAUSER presents JULY 3 to 14. Legendary Chinese Classical Theatre PEKING OPERA.

WIGMORE HALL. SUNDAY 20 MAY at 7.30 p.m. A VICTORIAN EVENING. THE ARISTOCRAT THAT BANKED WITH COURTS.

QUEEN ELIZABETH HALL. MONDAY 14 MAY at 7.45 p.m. Bach Mass in B minor. ENGLISH BAROQUE CHOIR AND ORCHESTRA.

MAURIZIO POLLINI. BEETHOVEN: Sonata in E flat, Op.91a (Les Adieux). BEETHOVEN: Sonata in F minor, Op.57 (Appassionata).

WESTMINSTER CATHEDRAL. THURSDAY 31st MAY, 1979 at 8.00 pm. VERDI REQUIEM. HEATHER HARPER, ANNE WILKENS, ROBIN LEGGATE.

LONDON COLISEUM. St Martin's Lane London WC2. a spectacular kaleidoscope of dance, drama, acrobatics, comedy, mime and song.

Oil shortages start to bite around the world

BY KEVIN DONE, Energy Correspondent

Back to the realities

THE FIRST week of the new political regime has brought some sharp reminders that it takes more than an election to solve problems...

Relative pay

The fact is that any government would face a number of dilemmas at the moment, and Mrs Thatcher's policies pose some extra ones of their own.

The effort to cut public spending by depressing the relative pay of the public services has always backfired in the past, and there is nothing to be said for it now...

Meanwhile, events in the outside world pose their own problems. We appear to be on the verge of a general recession in the industrial countries...

Misguided

Recession always produces persuasive calls to temper the wind to the weakest, by way of protection, or straight or concealed subsidy...

Letters to the Editor

Markets

From Mr. S. Friedlander. Sir, No portfolio theory, modern or antique, can be considered respectable unless it is rooted in the reality of stock markets...

From Mr. G. Atkinson. Sir—Press reports of the Manchester Woolworth fire suggest escape was hindered by dense smoke. It happened in the furniture department.

Since 1974, the Fire Research Station has been demonstrating the hazards to life of certain modern materials used in furniture. Building Research Establishment current paper 80/78 concluded from detailed studies of over 50 fires in dwellings where there were multiple deaths...

Dealing costs and the size of the market are not valid objections to drastic changes in the percentage allocation to stocks. The violent fluctuations in the averages, and even larger fluctuations in many individual stocks, are too well known to need repeating.

Institutions hold too many different shares, so that performance is tied to the market. That's what I mean by excessive diversification. Concentrated portfolios, selected on the basis of individual stock cycles and simple value analysis, with an overall strategy related to the up and down phases of the market cycle offer far greater opportunity.

The moral for serious investors and trustees seeking reduced risk and higher rewards is to avoid all forms of institutional investment and advisers who do not possess the capability

SCUFFLING motorists in San Diego and mile-long queues of cars in Dublin have provided the most graphic illustration yet of the 32 per cent increase in the price of crude oil exports from Iran. But they are only a foretaste of what is likely to develop during the summer and in particular during next winter.

The imbalance between the supply of crude oil and demand is not that great. But given the world's insatiable appetite for petroleum it does not take a lot to move from feast to famine. The world oil supply system, which only last year was apparently enjoying a glut of crude, has a lot in common with the stretched budget of Dickens' Mr. Micawber.

Over the next 12 months crude oil supplies are likely to fall only about 1.5m-2m barrels a day or 3-4 per cent short of current demand. Crude oil consumption outside the Communist bloc is now running at about 50m b/d. But the shortfall is enough to guarantee that sudden shortages of particular products will occur with growing frequency in different locations around the world during the summer.

The subsequent shake-out in the market, partly by foreign investors taking their profits, will have reversed some of these figures and the wage settlements which confirm the bad news. The Government is starting on its programme of cuts from a more forbidding level than forecasts had shown, and will initially have to run quite fast to stay in the same place.

On a longer view, some of the bad news of today may look good in retrospect. The expected downturn in the world economy reflects a greater determination to raise oil prices to respond to inflation. If this resolution holds, it must be good news for inflation, interest rates and longer-term growth. It also remains true that Britain faces what will be a period of world-wide difficulties with a good deal of luck on her side; rising oil prices only increase the advantage in national income and relative inflation offered by North Sea oil.

WORLD OIL SUPPLY AND DEMAND IN 1979 A SCENARIO

Table with columns for Oil Demand, Oil Supply, and Potential Deficit. Includes sub-sections for A-Oil Demand, B-Oil Supply, and Potential Deficit.

* Pre-1979 projections. † Excluding centrally planned economy countries (CPEs). ‡ Including other OECD countries, non-OPEC developing countries, net imports from CPEs and processing gains.

Letters to the Editor

and willingness to exploit fluctuation and concentrate portfolios. S. M. Friedlander, 7, Sussex House, Gentilia Road, NW3.

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the rises in oil product prices in Britain, which have taken the price of a gallon of premium petrol from 74 pence to about 89 pence since October, are mild compared to recent events in Turkey. The Turkish Government recently increased petrol prices by an average of nearly 90 per cent to between £1.52 and £1.79 a gallon.

Inevitably the first rumours of the impending increases led to panic buying with people storing petrol at home. As one official in Ankara put it: "So much petrol has been hoarded that if you light a match the whole town would blow up."

Traditional sources

The sudden spot shortages of the various oil products are hitting each country differently according to the balance of its domestic refining industry and the degree of difficulty facing its traditional sources of both crude oil and products.

In Greece the Government acted a month ago to ban half the country's private cars from the roads at weekends. Cars with odd numbers on the licence plates are allowed out one weekend and cars with even numbers the next.

The shortage of jet fuel at the world's major airports has forced some airlines to cut back the number of their scheduled flights, and rising oil prices have already caused the airlines to push up fares by at least 5-7 per cent. The 7 per cent increase has applied to North Atlantic flights and most

mid-Atlantic and European flights. South Atlantic fares have risen generally by 5 per cent as have fares to the Middle East, Africa and Asia. Aviation fuel is expected to cost 65 U.S. cents a U.S. gallon this year, compared with 44 cents a gallon last December, but further OPEC price rises could push the present figure even higher.

Clearly the individual countries that have been hardest hit are those that depend almost exclusively on imported oil for their energy, such as Denmark. In 1973, before the first oil supply crisis, about 93 per cent of the energy Denmark consumed was oil-based. Some progress has been made towards diversifying its energy supplies since then, but last year it still relied on oil for 78 per cent of energy needs.

Letters to the Editor

wonderful to see how many could be discarded, given the push from the top, without apparent hurt to the public weal. Arnold Butler, Langdale, Northwood, Middlesex.

From the Executive Director, Society of Company and Commercial Accountants. Sir—The Immediate Past President of the Association of Certified Accountants (May 5) has rather misinterpreted my comments on the three-way split in the profession. I see it not as a danger but as a necessary and desirable step towards more rational organisation...

I would disagree that the influence of the major auditing firms is grossly disproportionate—a state of affairs not unique to this country, of course, as the Metcalfe Report in the States made abundantly clear. The growing multi-nationalism of these same firms can only aggravate the situation. R. H. S. Beecham, 40, Tyndalls Park Road, Clifton, Bristol.

From Mr. A. Graham. Sir—On March 23 this year my secretary ordered an annual subscription to the Monthly Digest of Statistics. Nothing having happened by May she rang HMSO, but was told to ring another number on which she could speak to "the Hastening Officers!" On talking to them, she was told that our Monthly Digest was not likely to arrive until mid-June. Perhaps the Prime Minister's adviser on efficiency in government departments should have a look at this! Andrew Graham (Fellow and Tutor in Economics), Balliol College, Oxford.

From Professor D. Myddelton. Sir—Mr. Bayliss (May 8) is right to stress the urgent need for inflation, accounting in computing liabilities to corporation tax and capital gains tax. More than 10 years ago I suggested using a simple constant purchasing power (CPP) system for both purposes, as well as for measuring business profits and losses.

The latest current cost accounting (CCA) proposals are totally inadequate as a means of allowing for inflation in accounts, just like the earlier CCA proposals of Sandilands, Morpeth and Hyde. Nor are they suitable for tax purposes, being apparently intended for well under 1 per cent of all businesses.

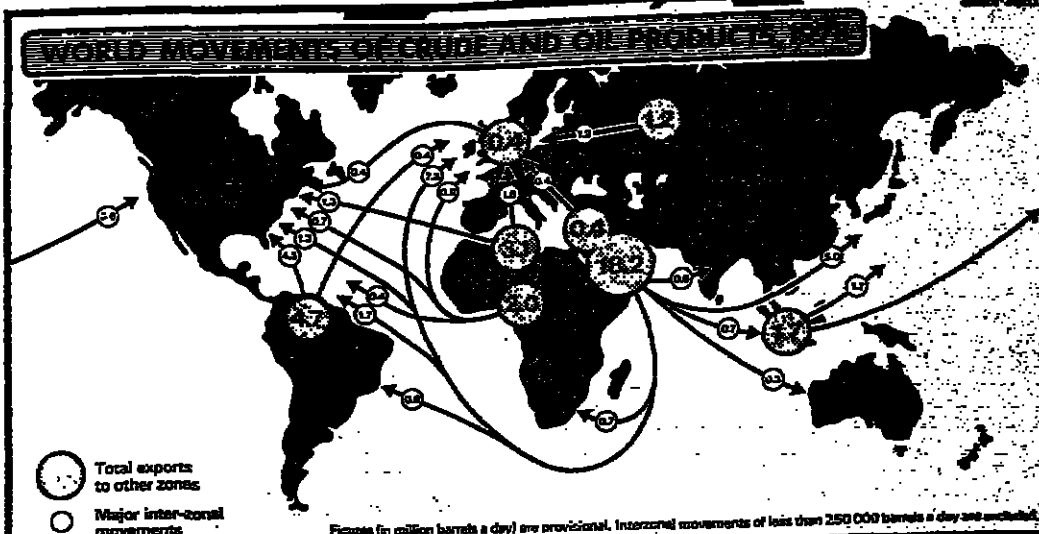


Figure in million barrels a day are provisional, historical measurements of less than 250 000 barrels a day are excluded.

In the meantime, no countries have been immune. In France and the UK, most oil companies are allocating deliveries of lighter products, such as heating oil, diesel fuel and petrol. At best this means customers being kept to 100 per cent of last year's supplies—which does not account for any subsequent growth in the market.

In Belgium the Government has introduced a rationing system, in which deliveries of heating oil to private consumers are restricted to 80 per cent of 1978 level of supplies. Industry will only receive 80 per cent of its 1978 light fuel oil and 90 per cent of its heavy fuel oil requirements. The illumination of buildings has been prohibited from 9 pm to 9 a.m. Holland has taken a slightly more relaxed approach, but the Government has reached agreement with the oil industry for oil deliveries to be cut by 5 per cent as part of a voluntary programme.

The most noticeable impact of the dislocation in the world oil supply system has been seen in California and Ireland. California, which has a Gross Domestic Product larger than most independent countries, has been especially hard hit because of its inordinate dependence on the motor car. In common with Ireland it has seen a very sharp growth in demand for petrol in the early part of this year, and supplies simply are not available to meet the increase with the oil companies allocating deliveries to below last year's levels.

In the face of motorists ramming each other to get to what pumps are working and drivers queue jumping and filling up their cars while holding off other drivers at gunpoint, California has acted to introduce its own rationing system. The U.S. Congress has rather deflated President Carter's attempts to arm himself with general rationing powers for the whole country. But there is no doubt that the U.S. oil industry, faced with the delicate supply and demand balance, is having to create something of a petrol shortage this summer, in order to build up stocks of heating oil, to

Letters to the Editor

avoid more severe shortages in the coming winter. Last week the President spelled out the message: "The gasoline shortage is real. It's not going to leave. I have had to mandate the Secretary of Energy that a certain amount of oil production be set aside to heat your homes next winter."

Stocks of heating oil have been down to 110m barrels in the U.S. during April, below what the oil companies consider the danger level of 120m. This must be rebuilt by October 1 to 240m barrels in preparation for the winter, but the target is unlikely to be met unless the production of middle distilled gasoline is given some priority over gasoline. "Without having gasoline lines all round the block I don't know how the Energy Secretary can do this," says Mr. Brice Sachs, an executive vice-president of Exxon International. "But we must be realistic about the problems we will face next winter if we don't take this action. The problem next winter is the oil industry does not get serious about rebuilding stocks in people going without heat or factories closing down because of lack of fuel."

Beneath the temporary inconveniences facing individual consumers everywhere the real threat facing the industrialised world is that it will be nudged back into recession by the cumulative effects of oil price increases and the shortfall in supplies. The main oil consuming nations pledged themselves in March to cut their oil demand by 5 per cent to help bring the oil supply system back into an uneasy balance. They will provide each other with progress reports later this month at a meeting in Paris, but as yet their individual programmes for conservation and fuel substitution have not been very impressive. Most oil consuming nations are finding it hard to understand that what is essentially a very small fall in supplies can have such far-reaching consequences. Mr. Micawber saw things rather more clearly.

priced the product. And a report released last month by a U.S. Senate committee concluded that the U.S. cannot rely on Saudi Arabia increasing "its oil production capacity to levels necessary in order to bail us out of our long-term energy dilemma."

In the short-term Saudi Arabia is unlikely to be able to stand for much longer in splendid isolation among OPEC members holding to an oil price that in most cases is now at least \$2 a barrel less than that charged by other producers. Iran, the new price hawk, has started another round of leap-frogging increases this week, raising its surcharge by 60 cents a barrel, and its lead could soon be followed by other OPEC members. The organisation meets formally again in June, when Saudi Arabia will be under great pressure to fall in line. Every 10 per cent of the world oil price adds about half a per cent to OECD inflation and adds billions of dollars to the industrialised world's oil bill, further threatening the delicate progress of growth in the world economy. Hardest hit of all are the Third World countries, where further borrowing offers perhaps the only prospect of being able to pay their soaring oil bills.

On the supply from the OPEC producers appear to be sticking to their agreement with Iran at their last meeting in Geneva to reduce production to last year's levels as output picked up in Iran. The Iranian Government has made it clear that it does not wish to produce more than 4m barrels a day—3m b/d less than it was producing before the revolution—and at the same time crude oil production has been reduced again by Saudi Arabia, Iraq and Kuwait.

The OPEC countries have re-learned the lesson that was demonstrated in 1973/74, that while they keep oil supplies tight they have a free hand in raising prices. The West's addition to oil guarantees that their market will not suddenly shrink, because they have over-

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Why the Tories could still be vulnerable in 1984

BY PETER PULZER

TO AN EXTENT that the Conservatives' overall majority of 33 in the new Parliament might disguise, Mrs. Thatcher's victory is the most impressive electoral turn-around since 1945. If one excludes Northern Ireland, in order to eliminate the bonus the Conservatives used to get from the Ulster Unionist vote, the Conservatives emerged with a lead of 5.9 per cent over Labour, considerably bigger than Mr. Macmillan's 4.7 per cent lead in 1959 and only slightly below Labour's 7.3 per cent in 1968. This, and the record swing of 5.2 per cent, must make the Conservatives even more satisfied with their triumph.

Other considerations, however, suggest that the Conservatives' hold is less secure than that. Their lead over Labour may be substantial, their command over the electorate as a whole is less so. With 44.8 per cent of the total votes, Mrs. Thatcher has a lower share of the popular vote than any post-war Conservative government.

The ghost at her feast is the sizeable proportion of the electorate who continue to be willing to change favours at fairly short notice and to vote for parties that are unlikely to be able to form a government. Less than three months ago opinion polls were agreeing on a 19 per cent deficit for the Labour Government; by polling day the gap was down to 7 per cent. It was probably less still on the preceding weekend.

The Liberals gained support during the campaign, as they always do, but their losses in votes and seats were lower than in previous elections when Labour was in office. On the other hand, the precedent is that Conservative governments are

TABLE I VARIATIONS IN VOTING BY REGION (percentage figures)

Region	Con.	Lab.	Lib.	Nat.	Swing to Con.
SCOTLAND	31.4 (+4.7)	41.5 (+5.3)	9.0 (+0.7)	17.3 (-13.1)	0.7
WALES	32.0 (+3.9)	49.1 (-0.8)	10.5 (-5.0)	8.4 (-2.8)	4.8
ENGLAND					
North-West	+6.4	-1.8	-4.3		4.1
North-East	+5.7	-2.2	-3.8		3.9
Yorkshire	+6.5	-1.4	-5.1		3.9
West Midlands	+9.2	-3.3	-5.8		6.3
East Midlands	+8.2	-2.2	-5.3		5.7
East Anglia	+6.6	-2.9	-4.7		4.0
South-East	+9.1	-3.9	-5.2		6.0
South-West	+9.7	-4.0	-6.3		6.8
Greater London	+8.7	-4.5	-4.9		6.6
Total	47.2 (+8.2)	36.7 (-3.4)	14.9 (-5.2)		5.6
GREAT BRITAIN	44.8 (+8.1)	37.9 (-2.3)	14.1 (-4.7)		5.2

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good for Liberal revivals and Mr. Steel is no doubt already counting his by-election chickens. "What makes the ghost bearable to Conservatives is the even worse performance of the Labour Party. Thanks to the relatively high Liberal and SNP vote and the high swing, the Labour share of the vote is lower than at any time since the war or, for that matter, since 1931.

Moreover, as table I shows, Labour losses have occurred where the party can least afford them. Its vote has held best in its traditional strongholds of central Scotland, South Wales and the north of England. No doubt there are psychological as well as policy explanations for this. Not all the industries

in these areas are lame ducks quivering under Sir Keith Joseph's cleaver, but the industrial communities are old-established and their political mores less easily shaken off.

The trouble with this old working class bedrock is not merely that it is inadequate as a political base, but that it is constantly eroding. Recent studies of social mobility have shown that this class is heavily shown that thanks to improved educational opportunities, this class is constantly losing members to the growing technological and administrative sector, but no longer recruiting from elsewhere. Those who shed their cloths shed them permanently.

The Labour Party will therefore have to start thinking about

both the class composition and the geographical distribution of its support. For the Labour haemorrhage in the Midlands and the South does not necessarily point to a deficiency of support in the middle class. Indeed, as far as infiltration of the middle class is concerned, Labour has a modest success story to tell.

Not only has Labour increased its support among professional, managerial and clerical people in the last two decades, it has been much better at holding on to this support even during bad times than at holding on to working class votes. Preliminary poll findings for this election confirm this.

Where Labour is losing, and is apparently losing continually and inexorably, is among

the skilled workers, including the unorganised skilled workers. According to the Nuffield College/University of Essex British Election Study, middle class support for Labour rose from 19 per cent to 23 per cent between 1964 and 1974, while skilled working class support dropped from 54 per cent to 49 per cent. All surveys since then indicate a continuation of these trends. In the last three elections a bare half of trade union members have voted Labour.

The reason for this apparent paradox is to be found in the response that Labour's policies evoke among their older and newer supporters. One by one traditional beliefs of the Labour movement—public ownership, the links with trade unions, redistributive taxation, expansion of the welfare state—have lost favour with working class Labour supporters. This, too, is a long-term trend, dating from the 1960s. It gains some incidental support from the finding in table II that council housing areas in particular, and inner cities in general, with a specific interest in the maintenance of the public sector, showed a much smaller Labour decline.

Middle class Labour supporters, on the other hand, seem much more strongly committed to radical social policies or a planned economy, and are therefore relatively immune to the appeals of lower taxation, less bureaucracy and free collective bargaining.

Does this suggest that the election was one of issues not personalities? One finding on which all opinion polls agreed is that throughout the campaign Mrs. Thatcher trailed Mr.



Callaghan as choice for Prime Minister. Something like one-quarter of those who favoured Mr. Callaghan for No. 10 must have voted Tory. This is not all that surprising: as an incumbent, faced by a relatively inexperienced challenger, Mr. Callaghan had a built-in advantage. In 1974, in contrast, when the equally experienced Harold Wilson and Edward Heath faced each other, the two ran much more closely. Nevertheless, May 3, 1979, was not a presidential election.

Was it then an issues election? Certainly on taxation and industrial relations voters judged the Conservatives more competent; on employment Labour was ahead. The differing regional priorities given to employment as a major concern is clearly reflected in the variation in swing. On prices, the issues most frequently placed first, the parties fared fairly equally, depending on which opinion poll you believe. Given the rating of the issues and the regional variations, one may certainly conclude that specific policy positions affected both

TABLE II VARIATIONS IN VOTING BY CONSTITUENCY TYPE

MARGINALITY	n*	Con. %	Lab. %	Lib. %	Swing
Con. held 1974	36	+4.5	-3.1	-5.2	3.9
Lab. held 1974	54	+7.1	-1.9	-5.3	4.5
All Con./Lab.	90	+7.1	-4.7	-0.7	8.9
Con./Lib. contest	21	+7.1	-4.7	-0.7	
INCUMBENCY					
Con. 1974	283	+8.2	-3.1	-5.0	5.6
Lab. 1974	319	+7.8	-1.1	-4.2	4.4
SOCIAL CHARACTERISTICS					
City	173	+7.2	-1.1	-4.1	4.2
City Edge	152	+9.2	-3.1	-5.6	6.2
Suburban	294	+8.2	-2.0	-4.9	5.1
Small-Town	141	+7.2	-0.9	-4.1	4.0
Rural	156	+8.0	-2.8	-3.6	5.4
Most Immigrants	79	+7.4	-2.9	-4.5	5.1
Most Irish-born	64	+7.7	-2.9	-5.0	5.3
Most Elderly	90	+7.4	-2.1	-3.9	4.8
Most Young	171	+9.2	-1.9	-5.0	5.6
Most Council Tenants	64	+8.8	+1.4	-1.5	2.6
Most Owner Occupiers	70	+8.4	-2.5	-5.9	5.5
Most Mining	37	+8.2	-1.1	-2.4	6.1
Population Growth	41	+8.8	-0.9	-4.4	4.9

*"n" is the number of constituencies in the sample. ITN Copyright

vote-switching and voting consistency. There is, however, a further component in electoral decisions. One may or may not vote primarily for a Prime Minister; one may or may not feel strongly about a specific policy. But one almost certainly has a general feeling for the managerial competence of an administration and its shadow rival.

For almost a year, from the autumn of 1977 to the autumn of 1978, the main parties were level pegging. Labour would have stood at least an even chance of winning an October 1978 election. What happened during the winter of 1978 was a collapse of the Labour Government's claim to managerial superiority. Thereafter, those who in any case prefer the Conservative policies on taxation, bureaucracy, law and order or any other issue, had less reason to weigh other considerations against their policy preferences. Governments have to lose elections before oppositions can win them.

It was Sir Harold Wilson's declared intention to make Labour into the natural party of government, to be a British Franklyn Roosevelt and to create the kind of New Deal coalition that has enabled the Democratic Party to dominate half a century of American politics. In 1974, when Labour had, under his leadership, won four out of five elections, it looked as though he might have achieved his aim.

It is now all in ruins? Mrs. Thatcher is certainly safe for at least five years. Her majority is by-election proof. The next report of the Parliamentary Boundary Commission will almost certainly help her further.

But the ghosts remain. Six months ago she might not have won. Mr. Steel has a solid following. The SNP is down but not out. Five per cent swings can be reversed. It seems best to conclude that there is, at the moment, no natural majority party in British politics.

The author is Tutor in Politics at Christ Church, Oxford. Statistical material by courtesy of ITN.

Weekend Brief

Horse play

With the Derby less than a month away, an anonymous consortium of bloodstock men as at least got its timing right in announcing what it bravely calls a unique opportunity for companies to introduce an "element of fun and amusement" into their marketing budgets via the medium of racehorse leasing.

Collector's pieces

It is second time lucky for Sotheby's when it disposes of Mr. Akram Ojeh's collection of French furniture at Monte Carlo next month. The collection, the finest to come on the market for a century, was owned by the Wildenstein family who are to the international art world what Rothschilds are to international merchant banking.

Fixtures and fittings

The lots that came under the hammer at an auction in Los Angeles last week were not exactly old masters or even antique furniture: a Wilshire greenhouse, a Bourneouth chemists shop, a pub bar from Leeds and countless other bits and pieces of old buildings.

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As for the France, currently laid up in Le Havre, it will probably go to Montreal and have a second life as a luxury cruise ship, but without the 18th century fixtures and fittings. Mr. Ojeh is unlikely to be in Monte Carlo. A mysterious Saudi in his early sixties, his company TAG has aerospace and construction interests, centered on Riyadh, Paris and Geneva. A keen connoisseur he is probably already planning to re-invest his return on French furniture into Impressionist paintings, a sector of the art market which is showing signs of a revival.

Clerical rules

The way that Ayatollah Khomeini, Iran's religious leader, has maintained his hold over the country after departing from Tehran following the revolution to take up residence in the holy-city of Qom has become a major factor in the nation's politics. Not only has he observed closely the day-to-day events but he has not hesitated to issue "elamiehs" (religious announcements) if he sees the revolution going off course.

Contributors:

Michael Thompson-Noel
Anthony Thorncroft
David Lascelles
Simon Henderson



Ayatollah Khomeini: how many in the hierarchy could, like him, claim to rule?

Louis XV corner cabinet by Debols with a clock signed Etienne Lenoir. This is reckoned by experts to be the best bit of 18th century furniture ever to be offered at auction and should go for around \$600,000, a record for any item of furniture. Naturally it once belonged to the Rothschilds. A German commode of the same time is considered to be the finest example of German rococo in existence and might set back an eventual buyer another \$500,000. Mr. Ojeh should comfortably recoup his investment. Sotheby's has a top estimate of \$12m on the sale but it is notoriously conservative in its forecasts, and with such rare pieces even Sotheby's is hedging its bets. It is all a far cry from his original plan for the furniture—to place it on the S.S. France, the largest liner in the world, which he bought, also in the autumn of 1977, for about \$9m. Experts were quick to point out that the sea air (the France was to be sited off the Florida coast as an extravagant tourist attraction) would quickly impair the furniture which has remained in store since it was sold. Hence the need for a quick re-sale.

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The way that Ayatollah Khomeini, Iran's religious leader, has maintained his hold over the country after departing from Tehran following the revolution to take up residence in the holy-city of Qom has become a major factor in the nation's politics. Not only has he observed closely the day-to-day events but he has not hesitated to issue "elamiehs" (religious announcements) if he sees the revolution going off course. Much of this has been to the barely concealed frustration of Mr. Mehdi Bazargan, the Prime Minister, who finds himself merely enacting policy rather than making it. The government in fact finds itself a parallel administration to the Shia Muslim clergy, a hierarchy which has developed strongly its influence in Iran's secular affairs.

Economic Diary

TODAY—Mrs. Margaret Thatcher, Prime Minister, addresses Scottish Conservative conference, City Hall, Perth. Lord Carrington, Foreign Secretary, meets counterparts from EEC countries at weekend informal meeting of Common Market Foreign Ministers. Chateau Mirenes, France. MONDAY—EEC Finance Ministers meet, Brussels. Confedera-

Economic Diary

tion of British Industry publishes suggestions for tax changes in Budget. Retail sales (April provisional). Building Society house prices and mortgage advances (first quarter). Housing starts and completions (March). TUESDAY—Queen's Speech at

Economic Diary

Grosvenor House, W.1. Basic rates of wages and normal weekly hours (April). Monthly index of average earnings (March). THURSDAY—CBI annual meeting and monthly council meeting. EEC Energy Ministers meet. Brussels. UK banks' assets and liabilities, and the money stock mission, at CBI annual dinner. (mid-April).

BRITANNIA TRUST MANAGEMENT

INCOME and GROWTH TRUST

In August 1969, units in Britannia Income & Growth Trust were first offered at 25p per unit. On the 10th May, 1979, the offer price of units in the Trust was 85.5p ex-dividend per unit, a rise of 242%. This compares with a rise of 206% in the cost of living as measured by the Retail Price Index, and 100.8% in the FT - Actuaries All-Share Index.

Original investors in the Trust received in 1970 a total net income of £4.36 per £100 invested. In 1978, the same unitholders received £15.80 for every £100 invested, an increase in net income of 262%. This compares with a rise of 192% in the Retail Price Index over the same period.

This Trust's consistent and proven record of income and capital growth since its launch has been achieved by prudent investment selection for its portfolio. Currently, 92.5% of the Trust's £12.8 million portfolio is invested in equities with good growth prospects and above average dividend yield and asset backing. 3.5% of the portfolio is invested in fixed interest securities and the balance is held as cash. The average market capitalisation of each company in which investments are held is approximately £100 million.

You should regard an investment in this Trust as a long-term investment.

For your guidance, the offer price of units on Friday, the 11th May, 1979, was 85.5p ex-dividend per unit. The estimated gross yield was 7.34%.

The price of units and the income from them can go down as well as up. Over the first four months of 1979 no less than 9 of the top 50 best performing UK unit trusts were managed by Britannia Trust Management, this is a record unequalled by any other unit trust management group*. Britannia Trust Management Ltd manages 23 UK authorised unit trusts on behalf of 230,000 unitholders. Funds under management currently exceed £240 million.

To find out how you can benefit from Britannia's investment expertise, tick the box below for full details about the wide range of Britannia unit trusts and the Unit Trust Portfolio Management Service. This Service is available to investors with a minimum of £10,000 to invest.

As an alternative for investors who wish to receive a high immediate income, Britannia Extra Income Trust offers the highest estimated current gross yield - 49.42% as at 11th May, 1979 - of all the Britannia trusts. This Trust aims to achieve a high and increasing income by investment in high yielding equities, preference shares and fixed interest stocks.

*Source: Planned Savings.

1% DISCOUNT OFFER
up to 18th May 1979

GENERAL INFORMATION

BRITANNIA Income and Growth Trust is authorised by the Secretary of State for Trade and is regulated by a Supplementary Trust Deed dated 21st May 1979. Prices and yields are published daily in several national newspapers.

PAYMENT: The Trust will make net distributions of income on 15th December (interim) and 15th June (final). Applications to this offer will receive their first income distribution on 15th December, 1979.

CHARGES: The offer price includes an initial management charge of 5%. The annual charge is 8% (plus VAT) of the value of the fund paid out of income. Commutation of 14% will be paid to authorised agents.

REPURCHASE: You may sell your units back to the Managers at not less than the bid price, calculated to a formula approved by the Department of Trade, relying on receipt of your instructions. Payment will normally be made within 7 working days of receipt of the requested certificate.

MANAGERS: Britannia Trust Management Ltd (Members of the Unit Trust Association). Registered office: 24 London Wall Buildings, London Wall, London EC4A 3DF. Registered in London, number 301666. Trustee: National Westminster Bank Limited. Britannia Income and Growth Trust is a wider range investment.

To: Britannia Trust Management Ltd., 24 London Wall Buildings, London Wall, London EC4A 3DF.

I/We wish to invest £_____ in Britannia Income and Growth Trust units at a discount of 1% off the published offer price ruling on the day this application is received by the Managers up to 18th May, 1979. The minimum initial investment is units to the value of £500 including the 1% discount. Additional unit purchases must be for not less than £25.

I/We enclose a remittance, payable to Britannia Trust Management Ltd. Please tick box(es) as applicable if you:

Want maximum capital growth by automatic reinvestment of net income.

Want to receive details of the wide range of Britannia Unit Trusts including Britannia Extra Income Trust.

Want details of the special Britannia Unit Trust Portfolio Management Service.

Already hold units in this Trust.

I/We declare that I am/we are not resident outside the Scheduled Territories (as defined in the Bank of England's Notice ECI) and that I am/we are not acquiring the units as the nominee(s) of any person(s) resident outside these Territories. (If you are unable to make declaration you should apply through your bank, stockbroker or solicitor in the UK.)

Signature(s) _____ Date _____

(If there are joint applicants, all must sign and attach names and addresses separately.)

This offer is not available to residents of The Republic of Ireland.

FT 36

Serck slumps to £1.5m but maintains interim

A SHARP downturn was suffered by Serck, the valves and heat exchanger group, in the first half to March 31, 1979. The company has been hit by low demand and industrial disputes.

In the first six months the taxable surplus slumped from £2.86m to £500,000 on sales ahead £1m at £4.5m. Pre-tax profits for the whole of last year were £3.15m from sales of £93.5m.

However, the interim dividend is being held at 2.5p net per 25p share. The Board has a decision on the level of dividend can only be made when the year's results are known and prospects are clearer.

The directors add that although the second half started badly with a three-week strike at Serck Heat Transfer they expect the remainder of the year to be better than the first six months.

On the period under review they say that the valve business was hit by a fall in international demand, coupled with rising costs and intense competition. This has been aggravated by the revolution in Iran. The group also suffers from problems at Serck Heat Transfer, Serck Tubes and Wilsons Foundry, and from the effects of the haulage strike. However, Serck Services did well.

The company has been restructuring and this has meant redundancies both on the valve and heat exchanger sides. The cost will be £1.25m, but no charge has been included at mid-year.

The net profit for the half year has fallen from £1.58m to £500,000 and stated earnings have tumbled from 8p to 0.2p.

The effect of adverse sterling parities, weakening international demand, intense competition and high inflation has been enough to Serck has also suffered a sudden rash of strikes which probably trimmed pre-tax profits by some £500,000. Strikes in the heat transfer division have spilled over into the current half and it is by no means certain that the industrial relations problem is over. Against that, the group should now be feeling the benefits of the cost pruning exercise of the cost pruning exercise in demand in the important valve division. That upturn is only marginal, as yet, and the future of the final dividend is still very much in the balance. Touch and go.

Garnar Scotblair increase

AN INCREASE in pre-tax profits from £1.28m to £1.32m for the year ended January 31, 1979, has been achieved by Garnar Scotblair, tanner and leather maker. Turnover was higher at £31.69m against £30.7m.

Profits are after depreciation and other charges of £1.03m against £947,000. Tax takes £194,000 (£245,000) and attributable profits are £1.16m compared with £977,000.

A final dividend of 3p makes a total of 5p on capital increased by acquisitions—the previous total was 4.5p including a 2.75p final.

Earnings per 25p share are shown at 15.01p against 13.2p.

Viners second half recovery

A SOLID recovery from losses of £24,396 to a £124,523 profit in the second half of 1978 at Viners, cutlery and tableware maker, has produced pre-tax profits for the year of £170,523 against £41,604 previously.

And the directors say that figures for the current year indicate the continuance of the profit recovery at a slow but steady rate.

In their interim report last year, the directors said the signs of a sales improvement in the UK in the second half combined with progress in the overseas subsidiaries, indicated some recovery and a better result for the year than in 1977.

Earnings per 10p share are shown at 1.21p against 0.2p and a final dividend of 0.5p makes a 1p total—in 1977 there was only a single interim payment of 0.8p.

Turnover amounted to £10.7m compared with £10.4m. Tax takes £91,443 (£9,790) and in 1977

Tower launches unit trust

A high-income unit trust is being launched this weekend by Tower, the new investment management group headed by Mr. Brian Banks.

Tower, formed last November by Mr. Banks and five other former executives of the British unit trust group is aiming to invest the funds in equities yielding at least 50 per cent more than the All-Share average. The new trust is Tower's first unit trust but the group already manages £27m for private investors and institutions.

The minimum holding in the new trust is 4,000 units, which are priced initially at 25p each.

John Foster and Son, spinner and weaver, came in on target at the year-end. The group turned in taxable profits of £386,151 in the 52 weeks to March 2, 1979, compared with £367,287 for the previous 53 weeks. Sales were £15.7m, against £15.6m.

The directors say that export trade should ensure that earnings are maintained. There has been no upsurge in UK orders but an improvement here should significantly increase profits.

At half year, when the group made a £615,000 rights issue, the Board said that year-end taxable profits would not differ greatly from those of the previous year. At midway the surplus had improved from a £108,075 loss to £61,617 profit.

The final dividend of 1.5p net per 25p share was also forecast then. This payment pegs the total at 2.5p.

The share of the loss of Welland Textiles which has ceased trading are not included

John Foster on target with £886,000 at year-end

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In the latest figures. The investment in that associated company is expected to realise more than the £147,918 book value at March 3, 1978. Last year the share of losses was £28,668, which reduced the group's taxable profit to £88,888.

Tax for the year takes £102,000 (£102,905) on a SSAP 15 basis, and minorities £23,008, against £1,028. There were extraordinary items last time of £134,010. The retained profit comes out ahead from £447,571 to £355,565.

Basic stated earnings per share are the same at 12.6p and 11.2p (11.1p) fully diluted.

ASSOCIATED PAPER

In yesterday's report on the results of Associated Paper Industries for the half-year to March 31, 1979, the exclusion of the results of the George M. Whitley group referred to the previous half-year.

DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corresponding div. year	Total for year	Last year
John Foster	1.5	—	2.5	2.5	2.5
Garnar Scotblair	3p	July 3	2.75	5	4.5
Frank G. Gates	1.7	July 4	1.55	1.7	1.55
GR (Holds.)	1.4	July 5	1.25*	—	5.3*
Hamilbarne	0.45	July 2	0.33*	0.94	0.54*
N. Mid. Construct.	1.78	July 4	1.75	1.78	1.78
Serck	2.2	Aug. 6	2.2	—	6.33
Vaux Breweries	1.54	June 10	1.49	—	5.03
Viners	0.5	—	Nil	1	0.95
Weeks Associated	0.86	—	0.8	1.46	1.3

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues.

BIDS AND DEALS

Grand Met pays £1.5m for EMI pubs

EMI, the troubled leisure group, is selling off 29 public houses and licensed taverns to Grand Metropolitan in a deal worth roughly £1.5m cash.

Last week EMI, the country's leading leisure group, shook the stock market by predicting pre-tax losses in the second half of its current year.

The company's latest announcement is a further move in the rationalisation of its leisure activities. Two months ago EMI sold a chain of 33 fast-food restaurants to Bejam Group for £5m.

Many of the pubs now being sold were acquired when EMI bought the Golden Egg chain of hotels and restaurants in 1973. Others have been opened alongside EMI's cinemas and run under the sign of the Painted Wagon.

Altogether the pubs are understood to have brought in pre-tax profits of £100,000 to £150,000 from sales of some £3m.

The properties, which are sited all over the country, will be operated by various regional and specialist subsidiaries of the Grand Metropolitan brewing division. Grand Metropolitan owns around 6,000 public houses.

KIEN HUAY SELLS H & C SHARES

Kien Huat Realty Sdn Bhd, the Malaysian company whose associate Genting Highlands Hotel Bhd once tried to buy part of the Harrisson and Crossfield empire, has sold 170,000 shares in H. and C.

The price is not revealed but recently the market price has been about 700p which values the stake at just under £1.2m. Dealings by Kien Huat in H. and C. are being viewed with particular interest because of the Genting Highlands' attempt to buy an associate of H. and C.

The sale brings Kien Huat's stake down to 5,141,663 shares (10.47 per cent). Last November Kien Huat was buyer of H. and C. shares at a time when the market price was only about 500p per share. So whatever the long term strategy may be, Kien Huat has realised a short term gain of about £300,000.

ROCKWELL PREF. OFFER EXTENDED

The offer by Rockwell International for the preference shares of Wilmot Breeden (Holdings) has been extended until May 25, 1979. Acceptances have been received in respect of 1,070,714 7 per cent preference shares (£698,000), and £73,828 20 per cent preference shares (76.73 per cent).

13.4% of Caledonian Airways changes hands

Two Scottish shipping companies have sold their 13.4 per cent stake in Caledonian Airways, the second largest U.K. scheduled airline. This is the first major transaction in the shares of Caledonian since it recovered from the heavy losses of the mid-1970s.

Caledonian has made no secret of its wish to go public at some stage and this latest deal puts a price tag of £28.7m on the company.

Lyle Shipping has sold its entire holding of 918,750 shares for some £2.4m, and made a capital profit of just under £1.5m. Hogarth Shipping has sold 560,723 shares on the same terms.

The price is believed to be £2.90 per share and the two companies raised £3.8m. The shares were placed with a number of institutions by Wood, Mackenzie and Fielding Newson-Smith.

ICFC holds 47.4 per cent of the shares in Caledonian and Proprietary Finance, part of Great Universal Stores, holds 6.4 per cent. The rest of the shares are held by some 100 individuals.

Caledonian has shareholders' funds of £31m and made pre-tax profits of £12.2m in the year to last October. The company has said that in the current year it is expecting a similar result. At a price of 280p the shares are selling on a fully taxed multiple of 6 which drops to just under 5 on the company's charge. The yield is 5.75 per cent.

LONRHO HAS 53% OF SUITS

The offer by Lonrho for Scottish and Universal Investment in the shares of Lonrho is 53 per cent. Lonrho already owned 9.1m shares before making its offer.

The bid has been extended until June 1. Particulars of the increased offer will be sent to shareholders next week.

MARRYAT & SCOTT

Kone Oy of Finland has agreed to acquire MARRYAT AND SCOTT. Both companies are engaged in the manufacture of lifts and escalators.

Marryat and Scott is based in Hounslow, while Kone has manufacturing plants in most of the major countries of Western Europe and is already represented in the UK by Kone Lifts and Kone Mechanical Handling.

Kone intends to continue the existing business of Marryat and Scott under its present management policy.

LAGANVALE

Publication of the offer document from Meredyll Investments, a private company registered in the Isle of Man, detailing its planned acquisition of the 49 per cent of the equity which it does not already own in Laganvale Estates, the land development concern, has been postponed to May 31.

This has been done to present shareholders with a more up-to-date statement of Laganvale's financial position.

Meredyll agreed to acquire for almost £60,000, a 51 per cent stake in Laganvale in March. It then announced an offer of 6p per share in cash for the outstanding 49 per cent.

NEIL & SPENCER

The acquisition of E.M. D'YON NV, Belgian industrial holding, by Neil and Spencer Holdings, has now been completed following the achievement of warranties relating to pre-tax profits and net assets.

ISSUE NEWS

R & J Pullman raising £3m as part of expansion drive

A rights issue to raise about £3.1m is announced by R. and J. Pullman, merchandiser and manufacturer of garments and textiles. The issue is on the basis of five-for-13 at 118p per share.

The company has also arranged medium-term loans totalling £2.5m, which replaces the major part of short-term bank borrowings.

Along with its financing plans, Pullman forecasts taxable profits for the 13 months to April 30, 1979 of not less than £1.5m compared with £1.08m in the previous 12 months and a final dividend of 4.65p net on the increased capital for a total of £20.67p—a rise of 10 per cent.

The directors say it is too early to predict results for the current year but they view the period with confidence having regard to the strong order book and the benefits flowing from acquisitions. All manufacturing companies are experiencing "very strong demand for their products".

Group turnover advanced from under £13m to more than £18m in the 13-month period. The directors state that part of the increase came from acquisitions, for which more than £1.25m had been paid.

Proceeds of the rights issue will be used to finance the higher level of trading and the expansion programme, including the development of the retailing activities. Dealings in the new shares will start on Monday.

Certain directors and their families have undertaken to subscribe for not less than 252,965 shares of the 330,106 allotted to them.

The remaining 2.38m shares have been underwritten by Capel Cure Myers.

FULCRUM TRUST OVERSUBSCRIBED

Fulcrum Investment Trust's offer for subscription of 1.5m units at 125p per unit was oversubscribed when application lists closed yesterday.

As indicated in the prospectus, the 100 units have accepted applications for 780,000 units in full.

A total of 250 applications for 1,005,700 units were received in respect of the remaining 200,000 units offered and the directors have made allocations on the following basis—

- 100 to 500 shares: allocated in full; 600 to 900 shares: 500 shares, 1,000 to 190,000 shares: 500 per cent of applications; over 190,000 shares: approximately 50 per cent with a minimum allotment of 50,000 units.

Dealing are due to begin next Wednesday.

Weeks calls for cash to help towards financing acquisition

Weeks Associates, manufacturer of trailers and industrial and agricultural equipment, is asking shareholders for a cash injection of nearly £2.6m to help to buy Rubber and Allied Products, a company which sells products such as rubber and PVC hoses and conveyor belting. This will be supplemented by a medium-term bank loan of £1.2m, which has also been arranged.

At the same time the company announces lower pre-tax profits of £454,788 (£698,198) for the year ended January 28, 1979 on sales of £9.97m, against £3.72m. Stated earnings per 10p share are down from 9.4p to 6.1p and the net dividend is 0.56p (79p) for a total of 1.4657p (1.3p).

The cash call is being made by way of rights—2.68m shares are being offered on the basis of two-for-five at 20p each. The directors intend to recommend dividends of not less than 1.805p in the current year.

They state that the lack of growth in sales reflects the general fall in demand for agricultural equipment. The lorry drivers' strike cost Weeks Traders and Hunters some £300,000 in lost sales, and this coincided with the normal build-up of stocks for the agricultural selling season.

This combination created an imbalance between debtors and stocks and an increase in bank borrowings at the end of the

year which, they say, are being rectified in the current year.

There are "too many uncertainties" to forecast for the current year. It has again started "disappointingly" with the after-effects of the lorry drivers' strike continuing into February and the delayed spring holding up the agricultural equipment sales.

There are, nevertheless, signs of renewed export activity and with the action now being taken to reduce overhead expenditure and improve efficiency, the directors expect that the position will improve as the year progresses.

Referring to the acquisition of RAP, the directors say that the initial consideration is £1.5m cash, with a further payment dependent on that company's profits for the year ending October 31, 1979.

This will be equal to five times the excess over £325,000 pre-tax or, if profits fall below £325,000, the vendors will be liable to repay to Weeks four times the deficit between £325,000 and £300,000 and five times any larger deficit.

In the year ended October 31, 1978, RAP's pre-tax profits were £274,770 on sales of £2.23m. For the current year the vendors have warranted profits of £325,000 on sales of £2.8m.

Weeks says that an underlying improvement in long-term profitability is expected from the cessation of remuneration paid to the vendors and their wives

which, in 1977/78, accounted for £62,250 out of total directors' remuneration of £114,455.

The net tangible assets of RAP at October 31, 1978 were £413,494 after providing for deferred tax of £274,400 and less than £50,000 of development grants of £33,344.

The directors believe that the acquisition of RAP achieves most satisfactorily the objective of diversifying Weeks' business into the marketing and distribution of industrial products in addition to the manufacture of agricultural equipment.

comment

With profits showing a shortfall of more than a third, Weeks' rights issue to raise "around £2.6m" net looks somewhat inopportune, especially as the acquisition of RAP will be financed by borrowings from 50 per cent to around 86 per cent of shareholders' funds. However, in the past two years the company has found itself in a profitless situation and to get out it has had to reduce its expenditure on agricultural equipment and manufacture. RAP is clearly the escape route—at the expense of some balance sheet strength in the short term. The shares, at 20p, sell on a p/e of 4.5 while the prospective ex-rights yield is 9 per cent. In view of its recent history and uncertain prospects the market's caution is reflected in the share price.

Vaux Breweries improves to £2.6m in first 24 weeks

For the 24 weeks ended March 17, 1979, turnover of Vaux Breweries improved over £33.7m to £38.2m and pre-tax profits were higher at £2.89m against £2.4m in the same period last year.

The interim dividend is lifted from 1.455p to 1.5425p per 25p share—last year's total was 5.025p from pre-tax profits of £7.52m.

Tax in the half year takes £725,000 (£657,000) leaving net profits of £1.96m compared with £1.73m.

The profit before tax is after setting aside £141,000 (£126,000) for the profit sharing scheme, and the figures include only £33,000 for Darley's which was acquired by the group on October 11, 1978.

Since that time, a number of changes have been made which add to their costs but will show benefits to profits in future years, says Mr. P. D. Nicholson, chairman.

Bad weather which started before Christmas has affected

sales adversely, particularly in Scotland, but nevertheless, beer sales overall are nearly on a par with last year and Swallow Hotel sales have continued to improve. The directors are hoping for good summer trade, provided that the group is not affected by excessive increases in duty or industrial relations problems.

The investment programme is on stream and major developments at the Sunderland and Edinburgh breweries are continuing.

Since the end of the period, the group has acquired the Hill-top Hotel Company, Carlisle, for £1.54m, settled by the issue of 964,748 shares.

comment

Aided by a buoyant hotel division and an increase in beer prices, Vaux Breweries is moving well ahead with interim pre-tax profits 17 per cent up on a 13 per cent increase in turnover. Despite the bad weather and the

rather exceptional performance last year, attributed to industrial strikes at other breweries) Vaux appears to have done relatively well at maintaining its barometer at the previous comparable level. Profits include a modest contribution from Darley which should contribute a further £50,000 in the second half. The full year's results therefore should reap the benefits of past acquisitions, brewery expansion and improved hotel occupancy rates. The possibility of high duty increases should not be overlooked which, if realised, will affect Vaux. But hotels are expected to generate the main impetus this year for a 20 per cent increase in trading profits against an increase of about a tenth from the brewing side. Outside estimates are going for a 33 per cent increase in dividends to 10p for the full year, placing the shares on a prospective yield of 5.8 per cent and fully taxed p/e of 13.8 at 175p, down 6p yesterday.

Berwick Timpo chief resigns

Mr. Torquill Norman, executive chairman of toy maker Berwick Timpo since 1975, has resigned from the company after a row over future policy.

The chief executive will be Mr. John Oakley, Group chairman, and three new directors from group subsidiaries are to join the board shortly.

Last night Mr. Norman, who is 49, admitted that he had had a "personal disagreement" with his colleagues about the direction of the company. "The simplest thing was therefore to leave," he added.

Mr. Norman suggested that the company's finances are strong, and that trading is good. He does not intend to sell any of his near 450,000 shares and will retain links with Berwick Timpo on a paid consultancy basis. Shareholders have also been asked to approve an ex gratia payment to him of £25,000 in cash and £25,000 as a contribution to his pension scheme.

Mr. Norman will now take some time off before deciding his next move.

Meanwhile Mr. Oakley tells shareholders in the annual report that the present level of order intake is running 23 per cent above last year's.

The new products which the company introduced at the Toy

Fairs at the beginning of 1979 were enthusiastically received and the indications are that the company can look forward to further increased sales this year.

Weather and strikes hit Davenport's

Explaining the fall in pre-tax profits from £557,000 to £507,000 for the half year ended March 31, 1979, as reported yesterday, Brewery (Holdings) says that significant factors include the worst prolonged winter weather for many years and industrial action.

The company says this was not only the reason, but also within the company before Christmas and again in March.

The effect of these problems, with the requirement to maintain prices for an extended period in the face of continuous cost increases in all areas, has been to put pressure on margins when volume growth was being impeded, they state.

The company has, however, since March been able to improve its price structure with-

11p payment by Bird (Africa)

Shareholders in Bird and Company (Africa), which was taken over by the Tanzanian Government in 1967, will receive their first distribution in the voluntary liquidation on May 23. This will be made by Mr. David Hill, the liquidator, a partner in Copers and Lybrand, Persey.

The distribution, which is equivalent to 11p per 25p stock unit, represents a substantial proportion of the company's assets. It is hoped to make a second and final distribution once a dispute regarding foreign currency claims has been resolved. This is understood to be worth around £90,000.

Results due next week

Big things are expected of the Royal Dutch/Shell group by investors and analysts in 1979 and the first quarter figures, due on Thursday, will give an indication of whether actual performance is matching the expectations.

City estimates (based on net income before currency translation adjustments) range from £450m to a high of around £570m with the bulk clustered near the £500m mark. The comparative figure of 1978 was £296m. Moreover, currency adjustments have been favourable compared with a massively negative impact last time.

Analysts say that the downstream margins have held up and Dutch gas profits, originally expected to be lower than 1978, may actually be a little better because the very cold winter meant increased demand. As well, an improvement in gas prices and some stock profit are anticipated to boost the figures.

Shipping, construction and property conglomerate, Trafalgar House, will announce its interim figures on Tuesday and analysts are struggling to estimate what the likely figure will be. The general feeling is that

underlying performance will be in line with, or perhaps a shade worse than, the same period last year. The group reported a pre-tax figure of £29.5m at the half-way mark last year but this included profits on property sales of around £15m. Thus the best guess for the 1978-79 interim is a figure between £13m and £14.5m. The property and investment divisions are expected to do slightly better than a year ago while the construction side is expected to be significantly better. The main interest is in the shipping performance and estimates suggest losses may be as little as £2.5m, or as much as £3m.

The bread and transport strikes have obviously affected Rank Hovis McDougall and pre-tax profits, due next Tuesday, are estimated to drop to around £12m from £16m in the first half of 1977/78. Both the baking and agricultural divisions are expected to show some strain, the latter largely because of the bad weather which ironically seems to have benefited the grocery side to some extent. Overseas contributions are up but flour milling and hire purchase are expected to be about

the same. Overall, the second half should turn out a bit better, with the full year's operating profits forecast at £50m and a pre-tax figure of £29.5m. The latter would take into account costs incurred in closing down factories and higher interest charges of around £16m for the year.

Meanwhile, Coats Patons is expected to announce a lustre result for 1978 next Tuesday. The company has already warned that there will be no improvement in second half profits, mainly because of adverse currency movements and narrow margins. After a period of difficult trading, when volume sales showed a decline, analysts will be looking for signs of an upturn, especially in Europe. Overall, profits of around £60m are expected, compared with £52.05m last time.

The first quarter's results from General Accident will highlight the effects of last winter's severe weather on UK insurers operating in the UK and the U.S. GA is the largest insurer in the UK and has a large motor portfolio in the U.S. Underwriting losses of £13m are anticipated against £9m in 1978 and pre-tax profits of £10m against £12m.

Commercial Union operates an internal reinsurance system under its extreme weather provision and this actively masks the full effects of severe weather. Pre-tax profits are expected to be little different from last year's £29m.

Two retailing companies due to report next week are Woolworths and UDS Group. On Wednesday, first-quarter figures are out from F. W. Woolworth which has already given an indication of likely sales figures pointing to an increase of around 11 per cent. On this basis, analysts are projecting a profits gain of the same proportion to about £8m pre-tax. On Monday, results from UDS are expected to reflect the problems caused by January's transport strikes and poor weather. However, because of favourable markets in menswear and furniture, the company's two largest divisions—pre-tax profits should be considerably up on last year's figure of £19m to around £23m according to City analysts. This prediction can be backed up by the half-time increase of over 100 per cent and the fact that the company is now reaping the benefits of a lengthy rationalisation programme.

Company	Announcement date	Dividend (p)	Last year	This year
FINAL DIVIDENDS				
Aberdeen Investments	Monday	0.8	1.45	1.0
Allied Irish Banks	Wednesday	1.8125	5.8575	3.5
Amros Investment Trust	Tuesday	1.8	2.3	2.2
Bank of Ireland	Monday	6.0	10.0	6.5
Barlows	Wednesday	1.2	7.855	1.4
Beales (John) Associated Companies	Friday	2.0	4.25	2.2
Bishopsgate Trust	Wednesday	0.5	1.0	1.0
Bulmer and Lumb (Holds.)	Monday	0.3	1.25	0.5
Caledonian Airways	Monday	4.0425	13.02825	4.10775
Caterpillar	Monday	1.0	2.1	2.2
City of Oxford Investment Trust	Tuesday	1.1803	2.1289	1.2857
Coats Patons	Monday	1.0	2.1	2.2
Dupont	Monday	1.0	1.25	1.25
Dutton-Forsyth Group	Monday	1.598	2.0	0.5
Ensigns and General Investment	Tuesday	1.8	2.7	2.2
Falklands	Thursday	0.4	0.8478	0.44
First National Trust	Monday	1.0	2.1	2.2
French Kier Holdings	Monday	0.75	1.0	0.52
Gen. Accident Fire & Life Assur. Cpn.	Tuesday	1.2	2.95789	1.75
Gen. Accident Fire & Life Assur. Cpn.	Thursday	1.4841	2.5282	2.23
Harcourt (E. J.) & Co.	Wednesday	1.482	3.6204	1.827
Hill Bros.	Tuesday	0.745	—	—
Hindon (Amos) and Sons	Thursday	1.4403	1.4812	1.6
Industrial and General Trust	Monday	0.6	1.15	0.7
Kwik-Fit (Tyres & Exhausts) Hlds.	Wednesday	0.8333	0.49167	0.4
Leas (Edward)	Tuesday	0.2	0.4	0.6
Leas Cooper Group	Wednesday	0.9175	1.2375	1.25
Leas	Wednesday	0.4	1.2887	0.45
London & Lancashire	Monday	0.91875	1.20	1.25
Norfolk Twentyeight Investment Trust	Monday	1.26125	1.4025	1.52
Pyramid Group	Thursday</			

Companies and Markets

WORLD STOCK MARKETS

Wall St. easy in early trading

INVESTMENT DOLLAR PREMIUM \$2.60 to \$1-56 1/2 (36 1/2%) Effective \$2.030 2 1/2% (23 1/2%) NARROWLY LOWER levels were recorded in moderate trading on Wall Street yesterday morning, as investors continued to worry about gasoline short-

CANADA - Markets were higher in moderate noon trading yesterday, when the Toronto Composite Index rose 6.2 to 1,459.0.

The Metals and Minerals Index also put on 6.2 to 2,183.5. Oil and Gas 15.7 to 2,183.5. Utilities 1.39 to 220.71 and Papers 0.42 to 159.84. But Banks shed 0.30 to 228.63 and Golds eased 2.1 to 1,740.5.

PARIS - Market eased in active trading, with French raw material prices up 1 per cent in April depressing sentiment. France's weakness and French Employers' Federation forecast of an economic growth rate of

just over 3 per cent also affected dealings. Jacques Borel SA shed FF 2 to 119, despite sharply reduced 1978 net losses. La Radiotechnique SA fell FF 17.50 to 370 on lower first quarter 1979 net sales.

GERMANY - Most leading shares weaker. In Motors BMW shed DM 1.7 to 222.5 on an unchanged DM 9 dividend for 1978.

HONG KONG - Prices fell sharply in thin quiet trading. Concern over inflation, increases in oil prices and speculation about transport cost rises all tended to depress sentiment.

SWITZERLAND - Prices eased over a broad front in thin trading. Volksbank in Banks, featured gains following its announced capital increase.

AMSTERDAM - Generally lower. Volker Stevin rose Fl 2 to Fl 82 - it expects at least same profit this year.

NEW YORK

Table of stock prices for New York, including columns for Stock, May 10, May 9, and May 8. Lists various companies like Amstar, Amgen, Amgen, etc.

Indices

Table showing indices for New York, Montreal, and Toronto Composite. Columns include index values for May 10, 9, 8, 7, 6, 5, 4, 3, 2, 1, and percentage changes.

Rises and Falls

Table showing rises and falls in stock prices. Columns include 'Rises and Falls', 'May 10', 'May 9', 'May 8', 'May 7', 'May 6', 'May 5', 'May 4', 'May 3', 'May 2', 'May 1', and percentage changes.

CANADA

Table of stock prices for Canada, including columns for Stock, May 10, May 9, and May 8. Lists companies like Alcan, Inco, etc.

Table titled 'STANDARD AND POORS' showing various financial ratios and indices. Columns include 'May 10', 'May 9', 'May 8', 'May 7', 'May 6', 'May 5', 'May 4', 'May 3', 'May 2', 'May 1', and percentage changes.

THURSDAY'S ACTIVE STOCKS

Table listing active stocks on Thursday, including company names and their respective price changes.

STOCKHOLM

Table of stock prices for Stockholm, including columns for Stock, Price, and Div. Yield.

F.T. CROSSWORD PUZZLE No. 3,969

A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London, EC4A 3DF. Winners and solution will be given next Saturday.

Form for crossword puzzle solutions, including fields for Name, Address, and a grid of numbers.

RACING BY DOMINIC WIGAN

Milford's high hopes in Derby trial

IN SPITE of the disappointing absence of Derby favourite, Elm-Mana-Mou from today's Lingfield Derby Trial there is every possibility that the rate will give some useful Epsom pointers. For among the eight runners for this Ladbrokes-sponsored event, which has often been a useful classic guide in the past, are the Queen's Milford and the Barry Hills-trained Joleg.

As I fully expect, Milford can handle ground which may well be riding heavy, he ought to provide the answer. A striking-looking colt by the Derby and Arc winner, Mill Reef, out of the almost equally talented Hiechere, the winner of the 1,000 Guineas and the Prix de Diane, Milford had the misfortune to run up against Triform and One In A Million in his two previous trials.

Second to the Bruce Hobbs-trained champion two-year-old in Ascot's Clarence House Stakes after making up a remarkable amount of ground from halfway, Milford was then sent to Newmarket where he was installed favourite for the Houghton Stakes.

Again the Berkshire colt took the runner-up spot, finishing four lengths adrift of One In A Million. There was no excuse made for his comprehensive defeat in that race; but in hindsight none were needed.

On his only appearance this season Milford gave a clear indication that he will be a force to be reckoned with in any company when scoring a runaway success in Ascot's one and quarter mile White Rose Stakes. Allowed to cruise into the lead early in the home straight, Milford was then asked to put his stamp on the race by Willie Carson. Lenthening his stride in the manner of a high-class stayer in the making the West Hley colt, backed from 2-1 to 11-8, forged well clear to pass the post with eight lengths in hand of Ivatan.

Although the form of that race almost certainly amounts to little, Milford could do no

PARIS

Table of stock prices for Paris, including columns for Stock, Price, and Div. Yield.

AMSTERDAM

Table of stock prices for Amsterdam, including columns for Stock, Price, and Div. Yield.

BRUSSELS/LUXEMBOURG

Table of stock prices for Brussels/Luxembourg, including columns for Stock, Price, and Div. Yield.

VIENNA

Table of stock prices for Vienna, including columns for Stock, Price, and Div. Yield.

JOHANNESBURG

Table of stock prices for Johannesburg, including columns for Stock, Price, and Div. Yield.

MILAN

Table of stock prices for Milan, including columns for Stock, Price, and Div. Yield.

OSLO

Table of stock prices for Oslo, including columns for Stock, Price, and Div. Yield.

SOLUTION TO PUZZLE No. 3,968

Grid for puzzle solution No. 3,968.

SOLUTION AND WINNERS OF PUZZLE No. 3,964

Following are winners of last Saturday's prize puzzle: Mr. G. D'Alton, 1 Keats Close, Earls Barton, Northampton, NN6 0PR. Mr. D. D. Howden, 4 Woodend Drive, Ralston, Paisley, Renfrewshire. Mrs. E. Pelosi, 12 Whitburne Avenue, Torquay, Devon.

NOTES: Overseas prices exclude \$ premium. Belgian dividends are after withholding tax. * DWS den. unless otherwise stated. * Ptas. 500 den. unless otherwise stated. * R. 100 den. unless otherwise stated. * Fr. 500 den. unless otherwise stated. * Yen 50 den. unless otherwise stated. * P. 100 den. unless otherwise stated. * Lira 100 den. unless otherwise stated. * Esc. 100 den. unless otherwise stated. * S. 100 den. unless otherwise stated. * M. 100 den. unless otherwise stated. * B. 100 den. unless otherwise stated. * C. 100 den. unless otherwise stated. * D. 100 den. unless otherwise stated. * E. 100 den. unless otherwise stated. * F. 100 den. unless otherwise stated. * G. 100 den. unless otherwise stated. * H. 100 den. unless otherwise stated. * I. 100 den. unless otherwise stated. * J. 100 den. unless otherwise stated. * K. 100 den. unless otherwise stated. * L. 100 den. unless otherwise stated. * M. 100 den. unless otherwise stated. * N. 100 den. unless otherwise stated. * O. 100 den. unless otherwise stated. * P. 100 den. unless otherwise stated. * Q. 100 den. unless otherwise stated. * R. 100 den. unless otherwise stated. * S. 100 den. unless otherwise stated. * T. 100 den. unless otherwise stated. * U. 100 den. unless otherwise stated. * V. 100 den. unless otherwise stated. * W. 100 den. unless otherwise stated. * X. 100 den. unless otherwise stated. * Y. 100 den. unless otherwise stated. * Z. 100 den. unless otherwise stated.

BOOKS 1

Novelist who could not forget or forgive

BY PETER QUENNEL

Dickens: A Life by Norman and Jeanne MacKenzie. Oxford University Press. £3.95. 434 pages.

Almost every ambitious young writer, who has a new book just appearing, is apt to complain that his mean-spirited publishers have given him very few advertisements. Even Dickens grumbled; when *A Christmas Carol* was ready to leave the printers, "can you believe (he demanded indignantly, on December 4, 1843, of his old friend Thomas Mitton) that, with the exception of Blackwood's, *The Carol* is not advertised in *One of the Magazines*, nothing but a tremendous push could possibly atone for such negligence." As it happened, no additional push was needed. By March, 1844, the *Carol* was well into a sixth edition; and "all manner of strangers (he informed another friend) write all manner of letters about their homes and hearts, and how this same *Carol* is read aloud there, and kept on a very little shelf by itself. Indeed it is the greatest success as I am told, that this *Ruffian* and *Rascal* has ever achieved."

Few great writers have been more consistently successful than Dickens, or begun succeeding at an earlier age. He had no real failures. True, a critic might suggest that a new novel was not quite so enthralling as his previous works; but the public disagreed. "The *Dombey*

success is BRILLIANT!" he could cheerfully assure Forster. As for *Black House*, it was "a most enormous success, all the prestige of *Copperfield*... falling upon it, and raising the circulation above all my other books." Only *Hard Times*, his attack on the Manchester School and its doctrine of economic laissez-faire, aroused some strongly hostile comments. While Ruskin declared that his view of modern industrial life was "finally the right one, grossly and sharply told," Macaulay, styled it "sullen socialism," and added that the plot was "disagreeable and overstrained"—a judgment that certain reviewers echoed.

In any biography of a Dickens, "A Study of Success" might be an appropriate subtitle. Besides recording his rapid rise to fame—are, at least, to popular celebrity—before he had reached the age of 25, the biographer must also describe how his many professional triumphs shaped his personal existence. Lucretius believed that beneath every form of human felicity lurked "an amaranthine," a hidden taste of something bitter; and, although Dickens enjoyed the splendid position he achieved and made the most of his advantages, there was one blessing his successes failed to confer; they could not wipe away the wretched past.

The memories of his childhood continued to haunt him,

despite his profits and his glories; and, as a middle-aged man, perched at the top of the literary tree, he wrote a curious confession:

"Even now, famous and caressed and happy, I often forget in my dreams that I have a dear wife and children and wander desolately back to that time..."

The time he re-lived was the period of his father's imprisonment for debt, and of his own degrading servitude.

Seen through a biographer's eyes, the days that the 12-year-old Dickens spent in a gloomy London warehouse, pasting labels on to blacking bottles, were not quite so hideous as he pretended. His employer, James Lamert, a connection of the Dickens family by marriage, was a decent, easy-going man; the other boys were rough but good-natured; and one of them, named Bob Fagin, proved particularly kind.

His servitude lasted six months; but the impressions it left behind it required a lifetime to efface. What had mostly deeply hurt him, he said, was "the sense I had of being utterly neglected and despised." Against both his parents, particularly against his mother, who was determined that he should remain at the warehouse, he held a long-enduring grudge; and both he would afterwards caricature, his selfish mother as the ridiculous Mrs. Nickleby, her loquacious

and mendacious husband as the absurd, though endearing Mr. Micawber.

In *Dickens: A Life*, Norman and Jeanne MacKenzie have produced a substantial and well-balanced portrait. Without seeking to dramatise their subject—Dickens was so strange and distinctive a character that his peculiarities demand no emphasis—they review the many different facets of his protean personality. Most important perhaps, he had an unmistakably demonic side. His mind was never at rest; he rarely put down his pen; and his favourite domestic pleasures—organising amateur theatricals, planning Christmas treats, arranging Christmas parties and convivial reunions of literary friends—he pursued with feverish gusto. His voice was loud; his manners were bold; and his clothes extravagantly flared—a blue dress coat, faced with silk and aflame with sapphire brass buttons, a vest of black satin, with a white satin collar, and a wonderfully embroidered shirt. His appearance dazzled his American audiences, who were surprised, and often slightly shocked, by his habit of combing his hair upon the platform.

Dickens himself, his latest biographers assert, learned to recognise his inward conflicts and the spiritual ambivalence that "ran like a dark vein through his fiction and his journalism. He called it 'the

attraction of repulsion'... and he seems to have sensed its origins in fear, hostility and guilt." He detested violence and cruelty, yet was somehow always drawn towards them; and, during his later years, his triumphant public readings mounted to a dangerous climax—some biographers assume that the readings killed him—when he narrated the grotesque villainies of *Quilp*.

In his private life, too, he was at once profusely affectionate and remarkably insensitive. His treatment of his foolish wife, whom he had replaced with a delightful young actress, was, to say the least of it, unfeeling; while his attitude towards his grown-up children was seldom genuinely sympathetic.

Although they do not add much to our knowledge of Dickens's life, Mr. and Mrs. MacKenzie certainly enlarge our understanding of his character, and of the relationship between his character and his work. He could not forget his youth, and neither forgot nor forgave the chief agents of his early sufferings. Throughout his career he constantly remembered his losses—the loss, for example, of his beloved sister-in-law Mary Hogarth, to whom he had been far more devoted than to Catherine Hogarth whom he married. When he thought of her, "old wounds bleed afresh"; but he found some relief from his painful recollections by picturing the tragic death of Little Nell.



Joseph Heller: on the Kissinger trail

Fiction

Heller high water

BY ISOBEL MURRAY

Good As Gold by Joseph Heller. Jonathan Cape, £4.95. 447 pages.

I, The King by Howard Cleves. Macmillan, £5.50. 238 pages.

The Landsbird by Coline Dunne. Collins, £5.50. 307 pages.

Ballerina by Edward Stewart. Hutchinson, £5.95. 448 pages.

probably doesn't want you making any vet. That much is definite." Gold's main asset, in the eyes of the White House, is an ability to use simple words, which when become cult phrases in politics: perhaps the most telling and successful is his phrase "I don't know," which had never been used in Press conferences before.

Gold as writer, academic and would-be politician is a brilliant creation: describing himself as a radical moderate, he advocates "fery caution and crusading inertia." But Gold as investigator of "the Jewish experience" has to investigate his own life, and it is here that the magic heart of the book is found, in Gold's bruised Jewish psyche and his suffocating Jewish family.

riches of this book: it does so many things so well, and so wickedly. The gifted lunacy of the last dealt farcically and originally with the serious subject of war: in *Something Happened* Heller produced a less sparkling, more profound book about the pains and craziness of our peacetime lives. Now in *Good As Gold* he combines and develops the best qualities of the earlier books, and the American Jewish Novel will never be the same again.

In *I, The King*, Howard Cleves has produced an accomplished historical novel. It is an account of the inadvertent revolt of Gonzalo Pizarro in Peru in the 1540s against the Spanish Hapeburgs who sent out the conquistadores such a short time before. Told by Pizarro's clerk, it presents a gripping story and interesting characters, and at the same time asks large questions, about the nature of man's attitudes to absolute authority, and his paradoxical fear of freedom.

Everyone is a little mad, except for his stepmother, who is quite insane. His father is an absolute tyrant who dislikes Gold: "It's a good thing his mother never lived to see the day he was born." His favourite sport is counting dead movie stars on television, and relating the manner of their deaths, and indeed one of the greatest scenes in the novel occurs when the whole family takes part in a sustained wrangle about who will share which burial plot with them.

"These family scenes, great set-pieces with massive amounts of food, animus, stupidity and misunderstanding, are marvellous. The family are proud of Gold and his writing, but do not begin to understand either. He is unbearably oppressed by his sister's ministrations, and infallibly drawn and agonised by his older brother's teasing. His wife distresses him with "an uncompromising attitude of indomitable submission."

Journalist Colin Dunne's first novel *The Landsbird* holds out promise for the future. It is set in a fishing village on the north-east coast of England, and concerns the conflicting interests of the last remaining fisherman family with their possibly machinistic values, and those who want to develop the village, with marina and all mod cons. The central fisherman also has a love conflict, when he falls for the usually sexy daughter of the major property developer. Much that is obvious, stock, even old-fashioned, but a freshness of talent also.

Edward Stewart's *Ballerina* is very much a novel for sentimental balletomanes. A long tale of two girls and their struggles to the top, with no end of drama, jealousy, love interest and coincidences on the way.

The Kissinger obsession is both funny and devastating. At the height of Gold's indignation he analyses Kissinger with corrosive power, and sustained invective. But some of the Kissinger quotes—out-Heller Heller. "What of 'We bombed them into letting us accept their terms'?" This part of the book is the most accomplished piece of character assassination I know, in or out of fiction.

Lies, hypocrisy, double standards and semantic acrobatics pervade the whole political world of the book, where Gold is sanitised by half-promises of an important role in the Administration: as his old friend puts it on the telephone, the President "probably wants you here as soon as you can make the necessary arrangements, although he

that they are always wrong. When he is certain of his ground (and on fundamentals he always is) he is politely obdurate.

There is a nice minor touch. They both offer to send him little gifts to cheer him up. Again he is not too proud. He doesn't refuse. He writes as equal to equal, asks for books, and with a pleasant simplicity for a few luxuries to eat, including some boxes of sweets.

What would be the result if scientists were to solve the mystery of gravity and harness it to the service of mankind? According to Bob Shaw little good would come of it. Criminals and vandals would take to the air in anti-gravity harnesses and engage in an orgy of destruction which would make today's football hooliganism seem like a Sunday school picnic. Basically this is a game of cops and robbers set in the near future.

The Fountains of Paradise by Arthur C. Clarke. Gollancz, £4.95, 255 pages.

Crazy though it sounds such a project would have enormous practical advantages and has already been the topic of much earnest discussion in the United States and Russia. For one thing, it would mean that spacecraft could rendezvous with the top of the tower and thus avoid the heavy and expensive lift-off from the ground.

Using present-day materials the structure would collapse under its own weight. But Clarke gets round this by inventing hyperflamant, an immensely strong material manufactured by a "space elevator" of soaring 36,000 kilometers from the surface of the earth.

Arthur C. Clarke is one of the few writers who still exemplify the spirit of scientific idealism—Jules Verne and the early H. G. Wells. He retains a heartfelt—some would say naive—belief in the benevolence of technological progress.

In this latest tour de force he takes an improbable idea and makes it entirely credible. Vannevar Morgan, a Brunel of the 21st century, is the obsessive builder of a "space elevator" of soaring 36,000 kilometers from

relationships because of his own early rebellion against his father. All Mao's marriages (with the possible exception of his second, to Yang Kai-hui who was executed by the Kuomintang) but not before Mao had begun to live with another woman) and all his friendships ended in hostility, and sometimes in disaster and death for the friends.

Mao comes through Wilson's book as totally preoccupied with power and how to use it to galvanise the peasant drudges that formed the mass of the population. It seems to have been his understanding of the power of words that led him to learn laboriously to write, to use both the written and the spoken word with fluency and in moments of deep emotional stress to turn to writing poetry.

SF Maestro

BY RAY LARSEN

The People's Emperor by Dick Wilson. Hutchinson, £5.95, 430 pages.

It cannot be said of many, as Dick Wilson writes in his new book of Mao, that he governed a country of mankind for a quarter of a century. Mao's unique achievement was to drag China from its decrepitude as a vast and dying empire into a new social system with some degree of justice and at least the potential (not so far realised) for modernising the economy. He took the totality of European doctrine of Marxist-Leninism and adapted it to an eastern mould. Whatever the Chinese leadership thinks of that now, in so doing, for better or for worse he altered the face of China, of Asia and indirectly of the world.

Wilson does not dwell on it. His real contribution is to bring out the character of Mao, long obscured both in the west and in China by the godlike status that was attributed to him from the 1850s on. His book is based on English and translated sources, some of which (like Edgar Snow's *Red Star over China*) have already been widely read. But the value of Wilson's work lies in having them put together and analysed intelligently.

Peasant Ruler

BY COLINA MACDOUGALL

Other essays deal with the Emperor's close friend, probably not his mistress, Katharina Schrott; with the Sacher hotel and the woman who made it famous; with a spy who shot himself as honour demanded when they caught him; and— with Theodor Herzl, the founder of Zionism, and with Vienna's much-loved mayor, Karl Lueger, who became involved, almost unwittingly, in anti-semitism. Painting and music ("The Sound of the Danube") are represented by the two Gustavs, Klimt and Mahler.

There is vigour and intelligence in the writing, though style and punctuation are often weird ("Girls then even more than now, live in a fantasy construction before their initiation into the dense and tense mesh of real life"), but the effect is flimsy.

In spite of a catchy subtitle, "Tales from Vienna," it isn't fiction; nor is it serious historical research. You could call it, I think, retrospective journalism. There are 32 photographs of the period inside and a particularly pretty one on the back of the jacket.

Wilson's book is a pity since the clash of personalities has been just as important. Among sources for recent times are Khrushchev's memoirs and the life story of Mao's fourth wife Chiang Ching, as told to her American bio-

Infantryman poet speaks

BY C. P. SNOW

The Collected Works of Isaac Rosenberg edited with an introduction and notes by Ian Parsons. Chatto and Windus. £12.95, 320 pages.

Isaac Rosenberg was born in 1890 and was killed in action in France in 1918. Though he attracted some admirers in his lifetime, he didn't receive external recognition. He managed to get some poems published privately, and he sold a few pictures, also privately. One longish specimen of his dramatic verse appeared in a Georgian Poetry anthology. That was about all so far, as the world knew him; and he died as a private soldier. Since then, he has come to be regarded, alongside Wilfred Owen, as our greatest artistic loss in the First World War.

The title of this book tells nothing more than the truth. Here are *The Collected Works*, colour portraits of paintings, photographs of drawings (he was a very fine draftsman, and it is a mistake to underestimate his visual talents), annotated versions of every poem that he wrote and of a good many fragments, alternative readings scrupulously examined by Ian Parsons in one of the most accomplished feats of English editing for long enough. The book is a handsome physical object, up to the publishers' highest standards. Altogether a splendid tribute to a man of great gifts, the full extent and development of which we shall never know.

Rosenberg scarcely ever had a sovereign chance to show his 27 years. Parsons, in his

well-judged and temperate introduction says that, though he had dreadful ill luck, being conscripted on the edge of destitution, it mustn't be forgotten that he had good luck in the warmth and support of his family and friends (the closest of which were the bright young Jewish artists who became known as the Whitechapel Boys, among them Leftwich, Rooker, Gertler, Bomberg). Rosenberg's father was bookish in an unworshipful Jewish fashion, and coming to England just before Isaac was born never contrived to make even a modest living or get his family out of the slums. So far as Isaac received any practical help at all, it was through the Jewish Education Aid Society, an admirable institution of the time, which soon felt obliged to pay most of his pathetic earnings to his mother, just to keep the household together.

It was for no other reason than to collect a little money that Isaac joined the army. He was vigorously advised to do so by Ezra Pound. In any case, he couldn't get a job elsewhere. He wasn't in any sense infused with English patriotism. He was about as unsuited for the infantry life as anyone could reasonably be. He was under-sized, physically weak and absent-minded, untidy and absent-minded. Astonishingly, he was offered a lance corporal's stripe soon after he enlisted. For some inexplicable reason he refused.

He hated the animal roughness of his fellow soldiers. He didn't like their jeering at him for his Jewishness. On the other hand, he seems not to have been outraged by war

itself. "Dead Man's Dump" is a fine and desolating poem, but it is not a protest, such as his contemporaries were making. My own favourite of his war poems "Returning, We Hear the Larks," is piercing in its unexpected joy. Perhaps he had more than his share of Jewish passive courage: it is possible to imagine him composing a poem like that in a concentration camp.

He didn't write a great number of poems. This collection, which includes all that have been traced, is quite small. Though he is now pigeon-holed as a war poet, very few of the poems have anything to do with war.

He was finding his way to his own world. In the process he was often clumsy and obscure. There is nothing smooth, and usually nothing eloquent, about his verses. He is trying, never mind the barbarisms, or sometimes the hyper-literary excesses, to discover exactly what he wants to say and then to say it. The only English poet he reminds me of is Thomas Hardy—which is maybe why I admire Rosenberg so much. As well as having devoted friends, he had something more valuable, which was a deep flowing, unobtrusive confidence. As Parsons comments, he knew how good he was. All good writers need something of that confidence. A lot of writers not at all good sometimes have it.

Anyone wishing to see the subterranean strength of Rosenberg's personality should study the letters collected in this book, and pay special attention to those addressed to Eddie Marsh, and Sydney Schiff. These were his two most powerful



Isaac Rosenberg—a self-portrait by the poet and painter whose collected works are now published for the first time

patrons, belonging to a social world so remote from his as the court of Louis XIV would have been. Marsh demonstrated his usual kindness, without any understanding of what Rosenberg's gifts really were. Schiff was rather more perceptive. When he writes to them, Rosenberg's tone was perfect. He is respectful but not at all over-awed. He listens to their criticism with gentle detachment. He is not too proud to think

that they are always wrong. When he is certain of his ground (and on fundamentals he always is) he is politely obdurate.

There is a nice minor touch. They both offer to send him little gifts to cheer him up. Again he is not too proud. He doesn't refuse. He writes as equal to equal, asks for books, and with a pleasant simplicity for a few luxuries to eat, including some boxes of sweets.

Thank Heaven for little girls... BY RACHEL BILLINGTON

Lewis Carroll: A Biography by Anne Clark. Dent, £8.95, 284 pages.

Charles Lutwidge Dodgson turned himself into Lewis Carroll by latinizing his christian names and reversing their order. This was an easy jump for Dodgson. A classical education, a talent for mathematics and a weird imagination combined in a man of great individuality.

He was well qualified to be a pillar of the church like his father: he was a substantial mathematician, with 10 books, 48 booklets and papers, two dozen student texts on mathematics and logic to his name (his real name) but his reputation is based on the extraordinary collection of words which he turned into his children's writing and his nonsense verses. It is his passion for children that motivated this writing that is, therefore, most interesting.

Anne Clark has explored this aspect very thoroughly in her new biography. If there is anything left to say it must rise from intuition rather than further information. Dodgson started his child entertainer role as the oldest brother of 11 children. For many years his

father was the curate of a not very valuable living which meant that the children had few distractions outside the family circle. Nevertheless enough money was found to give Charles the excellent education which enabled him to make a career as a don at Oxford.

He was always successful academically but his shyness and a stammer made him happiest in the company of young children. He produced his first comic writing for *The Rectory Magazine*, in theory a family effort though heavily Lewis Carroll orientated.

When he arrived at Christ Church he was soon looking for young brother and sister substitutes, a search that continued right up to his death. At the same time as collecting children on whom he practised his gift for stories and verse, he became fascinated by photography. This was also linked to his love of children for they were always his favourite sitters. The photographs reproduced in this biography show a strong romantic pre-Raphaelite influenced style with absolutely no sort of conceit. He wanted beauty in his subjects and not a hint of Mock Turtle or Door-mouse. It was, so Anne Clark leads us to believe, a natural progression in his search for the beautiful form which, in his later years, led him to photograph children nude and caused a dent in his reputation.

Even in his youth his addiction to children did not always follow a smooth path. The famous Liddell sisters, Alice came between Edith and Lorina, possessed a mother who did not always appreciate the young don's eagerness to entertain her daughters. Her husband, Henry George Liddell,

writing and printing is amply documented by Ms. Clark, who was secretary of the Lewis Carroll Society for many years, and demonstrates the perfection which was inherent in Dodgson's character. Twice he rejected entire editions because he was not happy with the colour balance or general effect.

This disciplined perfectionism which often verges on a kind of pedantry sits oddly with the wild genius of his imagination. His nature which made him unable to sustain a close adult relationship, least of all find himself a wife, led him more and more to build his pleasure

round his child friends. He took his vacations at sea-side resorts expressly to pick up pretty little girls on the front. Dodgson's intention was honourable, at least on the surface, he was lucky that the Victorian conventions did not include dirty old men.

Probably sensibly, Ms. Clark honours this convention herself and does not try for any modern psycho-analysis. Dodgson liked telling stories to little girls and they liked listening. As Alice told the Caterpillar, "I can't explain myself, I'm afraid, sir, because I'm not myself, you see."

Whatever the situation, the famous picnic on the Cherwell did take place and *Alice in Wonderland*—or "Alice Underground" as she was originally called—started her famous fall. The progress of the book and its many variations both in

Danube Days

BY ISABEL QUIGLY

The Habsburg Twilight: Tales from Vienna by Sarah Ganhnam. Weidenfeld and Nicolson, £8.95, 236 pages.

Late-imperial Vienna is one of those places with a presence that is artistic as well as historical, an imaginative as well as a literal image. Sarah Ganhnam takes a number of aspects and characters of the city and writes a short essay on each.

Mayerling is the best-known episode the place and period turned up and is the subject of a crown prince, an only son, who shoots first a seventeen-year-old mistress, then himself, as Ms Ganhnam says, "It is an oft-told tale and whenever it is told again it catches the imagination afresh with the completeness of its facets, power, sex, death and mystery."

There are some good things in the book—familiarity with the Viennese social life of the time, its gossip, its smallness, the innumerable overlappings, the witty conversation went—but its form is not really satisfactory. An average of 32 photographs (there is an introduction, too) per essay doesn't give much

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سكنا من الأصل

BOOKS 2

Beyond the folly BY GEORGE WATSON

Beckford of Fonthill by Brian Fothergill. Faber and Faber, £13.50. 387 pages.

What masterpiece of French literature was written by an Englishman? The answer is William Beckford's *Vathek*. Unfortunately, the French original does not certainly survive. Beckford having apparently sent off the only copy he had to be turned into English; and the version we do have, if Mr. Fothergill is right in his new life of Beckford, may represent successive attempts to translate the book back into French from an English version that appeared in 1786. Still, *Vathek* is a masterpiece—the fine flower of that cult for eastern art that gave Brighton a pavilion at much the same time, and of all eighteenth-century books the one that remains the modern reader most vividly of the early fiction of Evelyn Waugh.

Unfortunately, *Vathek* does not get much of a look-in in Mr. Fothergill's new life, which is biography pure and simple, impure and complex though its subject undoubtedly was. Beckford, who was born in 1760, was enormously rich by inheritance, of varied sexual instincts, and

as ingloriously a Member of Parliament as Edward Gibbon himself. Literature was merely what he did best, like Gibbon. His latest biographer has other interests, however, and sees him mainly as a builder, a traveller, a lover and a man of taste.

The truth is, though, that in its lasting aspects the building does not amount to much. There was Fonthill Abbey, which Beckford started near Bath in 1797; but in a life of 84 years, only 15 were spent under the roof of that monumental folly, and singularly unproductive years at that. It is not even certain if Beckford saw its enormous tower collapse in 1825, a catastrophe that must have been worth watching. It astonishingly killed nobody, though it drove somebody 30 feet along a corridor like a bullet through the barrel of a gun.

Hard, then, to understand why this new biographer should think the name of Beckford "should always be linked with this most splendid of follies." The remark is unwittingly vindictive. Beckford built as other men drink, as he once remarked himself, to forget unhappiness. Mr. Fothergill sees the ruin of Fonthill as a perfect symbol

of a personality. I disagree. A writer does not live in his personality, in any case, and one sentence by Beckford has more to give than any pile of stones. Mr. Fothergill's own style is adequate rather than distinguished, it must be said, and sometimes adipsose in its gait. It catches nothing from its original. But the chief disappointment of this new book, his sixth biography, lies in what it chooses to think important. The lavish illustrations, and especially the dreaming middle-aged portrait by John Zoppner, with a rich-looking folio on lap and a far-away look in the eyes, tell as much as the text itself about Beckford's tastes in living and loving.

I should like to record, in recompense, a conviction that it is foolish to build a folly, and wise to write well. Beckford did write well, even if he behaved foolishly with his money. Consider *Vathek*: it turns out of elegant oriental spoof into a tale of high sentiment about the uncertain dignity of male love, and it is surprising that an age like ours, with its renewed interest in such matters, has not made a cult book of it. Perhaps it finds it too evasive.

The *Recollections of an Excursion to the Monasteries of Alcobaca and Batalha* (1835), which Beckford wrote at the age of 74 in memory of a Portuguese journey some 40 years earlier, is composed in a dialect of nostalgia so rolled and rolled in the mind as to have burnished itself into a jewel. The French Enlightenment lies behind this prose; but when the English learnt its new and ironic style, mainly from Voltaire, they gave it a higher finish than Voltaire himself had ever achieved, and a tone more subtly elusive and less open than his to the charge of mere buffoonery. That manner, touched as it is with the playful knowledge of high camp, has a continuous life in English: Gibbon, Beckford, Peacock, Thackeray, Henry James and the brothers Waugh.

Mr. Fothergill has told a good story of a fabulous life all over again. But he has left out the best part, which is what Beckford did when he was not building, travelling or making love to that disappointing figure, the future Earl of Devon, for whom he had to flee England. A few perfunctory references apart, he has left out Beckford's books.

Trying to like Stendhal BY IAN DAVIDSON

Speaking of Stendhal by Storm Jameson. Gollancz. £6.95. 157 pages.

There are, I suppose, three ways of missing out on a widely admired author. You can be so daunted by his reputation that you fail to start reading him; you start reading, but give up after 20 pages, baffled; or read a couple of books, and are left wondering what the fuss was about. The first two conditions are much easier to cure than the third.

For five years, I carried *A la recherche du temps perdu* round Europe with me, in the hope that I might one day, in a fit of absentmindedness, happen to polish off all 12 volumes. The volumes remained unread.

One day I took Vol. 1 with me on an aeroplane, dozed over the first twenty pages, and left the plane without it. It was not until several years later that I started again (on Vol. 2, of course), and discovered that Proust is totally different from his vulgar image as a milk-and-

water aesthete. No one had ever told me that he is indescribably funny, let alone that his prose is ideal for reading out loud, even when his sentences go on for four pages.

And so I was cured of diseases one and two. By accident, or rather by the reproachful impertinent presence of these unread volumes on my shelves, I discovered one of the great authors of this century (or any century). In retrospect, I blame the long delay in my making this universal discovery on the recommendation of two university friends who radiated a preciosity and a precosity which Proust would have found nauseating; he would instantly have cast them for leading roles in one of his hilarious Parisian party scenes.

The recommendation of Storm Jameson is, however, quite another matter, and I trust that she will cure me of the much more difficult condition, disease number 3. I have read *La Chartreuse de Parme* (admittedly many years ago), and it left no impression on me—perhaps because I read it

prematurely in French? Not long ago I re-read *Le Rouge et le Noir* (in English this time), and found it unbelievably crude for what is generally regarded as a masterpiece. I've tried *De l'Amour*, and found it disorganised, pedestrian and pointless. I've dipped into the Lives of Haydn, Mozart and Metastasio, and whether or not the work is entirely plagiarised from other, wholly second-rate writers, the result is not, in itself, to be recommended as an illumination of the work of the artists in question. I had begun, I must confess, to conclude that Stendhal was vastly overrated.

The advocacy of Storm Jameson is not, however, to be lightly disregarded, and this not just because the word of a woman of 85 (or thereabouts) may be taken more seriously than that of an undergraduate, it is because she has written a book of great economy, lucidity and elegance, which vividly conveys her own life-long love and admiration for Stendhal. If a woman who can write like this loves and admires Stendhal, who am I to find him crude?

After I have closed her book, I am still left with some puzzling questions. Stendhal's literary career is that of a man who, for most of his life, was in the greatest confusion as to what he was about. Why did he write a history of Italian painting with an amateurism that can only be described as an excuse for total ignorance? Why did he plagiarise the lives of Haydn, Mozart and Metastasio, when it is abundantly clear, even from those passages which may be his own, that his understanding of music was narrow, limited and peculiar? Why did he embark on, but not finish, a life of Napoleonic the shortcomings of which even Storm Jameson does not attempt to defend?

It is not, perhaps, surprising that so many fans of Stendhal should have exhausted themselves in the quest for the real Henri Beyle—the fat, ugly, outrageous, amusing talker who ended his life as French consul in Civitavecchia. For myself, I shall go out and buy *La Chartreuse de Parme*, *Le Vie de Henry Brulard*, and the *Memoires d'un Touriste*.

Handwritten signature or mark in a box.

ENGLISH & SCOTTISH INVESTORS LIMITED

The Rt. Hon. Lord Tryon (Chairman), T. L. Grimley, F.F.S., F.F.B., I. T. Henderson, C.B.E., T. D., J. M. Hunt, P. L. Lamaison, F.C.A., E. Turner, C.B.E., D.Sc., F.C.A.

Managers and Secretaries: Gartmore Investment Limited

Dividend record				Revenue and Dividends				Capital performance record		
1970-1979				Year to 31st January				1970-1979		
Dividend of E.S.S. Dividend	Dividend of F.T. All Share Index	Dividend of Index of Inv. Trusts	Dividend of Dow Jones Index	Year to 31st January	Gross Revenue	Net Dividend Per Ordinary Share	Net Asset Value Per Ordinary and "P" Share	Net asset value		
				1975	1,027,724	1.38	60			
				1976	1,088,776	1.38	81			
				1977	1,477,133	2.15	81			
				1978	1,258,727	2.44	85			
				1979	1,518,884	2.55	89			
				(1) The figures for 1978 onwards show the Consolidated Results.						
				(2) Dividends and Net Asset Value per Share have been adjusted for scrip issues.						
Performance				Movement %						
Net Asset Value per 25p share				31.1.78 to 31.1.79						
Financial Times Ordinary Index				+15.8						
Dow Jones Index (adjusted for dollar premium and currency movements)				+ 0.1						
Earnings per Ordinary share				+20.5						
Dividend per Ordinary share				+ 8.2						
Geographical distribution of portfolio										
Equities:										
United Kingdom				52.1						
North America				18.6						
Far East and Australia				14.0						
Other Countries				1.9						
Fixed Interest				80.8						
Net Current Assets				8.1						
Fiscal Income				0.3						
				100.0						
								Dow Jones Index		
								F.T. 30 Index		

Unaudited net asset value per share at 30th April 1979 was 119.9p

Extracts from the Review by the Chairman, The Rt. Hon. Lord Tryon

This year marks the fiftieth anniversary of your Company, which was incorporated on 8th February 1929.

I am glad to report that at the 31st January 1979 total funds stood at a new year-end record of nearly £28m; and the net asset value per share and dividend rates have never been higher.

The U.K. equity content was increased during February.

We have reduced our exposure to the premium by drawing down further dollar loans and repatriating the proceeds to the maximum extent that we felt was prudent.

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I believe that an investment trust which is actively and successfully managed still has a useful role to play and that a proper value for the underlying assets and management expertise will emerge in due course.

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APPOINTMENTS

Group changes at Unigate

UNIGATE has made the following appointments from June 1.

On the main Board, Mr. John Read is to be joint chief executive with Mr. John Clement, group chairman. Mr. Ben Davies will be group trade relations director and Mr. Wyatt Gates, group technical director.

The milk division is being reorganized and managing directors appointed within that division are Mr. Harry Starkey, home counties dairies; Mr. Maurice Easta, Lea Valley dairies; Mr. Geoff Adshead, Midlands Counties Dairies and J. Hanson and Sons; Mr. John Murphy, United Dairies (London); and Mr. Donald Broyd, Wales and Western Dairies.

Mr. W. G. Upton has been appointed acting managing sales director and Mr. L. D. Banks, supplies and administration director of BASS EXPORT.

Mr. R. C. Ward and Mr. M. F. Quaranta will also be joining the Board.

Campbell-Gray has appointed Mr. D. Hare as sales director of OBAR.

Mr. R. M. A. Jones has been appointed director of PVE OF CAMBRIDGE. Mr. John Stewart-Clark has relinquished his position as managing director following his adoption as a candidate for the House of Commons.

Mr. C. P. Elliott, sponsored by C. and J. Clark, has been elected as a director of EMPLOYMENT CONDITIONS BOARD.

Mr. John Sanderson has been appointed sales director for BRITISH CAR AUCTIONS. He was formerly director (West) for Hertz Europe.

Mr. G. B. Platt has been appointed a director of JOHN COOD AND SONS and continues as company secretary and group chief accountant. Mr. A. Mac Hattie and Mr. D. H. Spencer join the Board of member company General Cargo Brokers (Merica).

Mr. Brian Boucher, sales director, and Mr. Simon Coningham, managing director of CONDE NAST AND NATIONAL MAGAZINE DISTRIBUTORS, Mr. Coningham becomes client relations director.

Dr. E. Sakiz and Mr. K. G. Adams have joined the Board of ROUSSEL LABORATORIES in the UK. Dr. Sakiz is director of the parent Roussel-Uclaf Group and Mr. Adams, formerly company secretary of Roussel Laboratories, is joining the UK Board as financial director. Mr. J. Farley has become company secretary.

Mr. Roy Gunn has been appointed chairman of the SPANISH WINES COMMITTEE within the Wines and Spirits Association of Great Britain. He replaces Mr. Don Lovell, who has been chairman for three years. Mr. Gunn is chairman and managing director of Roy Gunn Wines and UK Director of R. Lopez de Heredia.

Mr. David F. V. Ashby has been appointed group chief economist at GRINDLAYS BANK. He was formerly senior economist in London with Bankers Trust Company.

Mr. Terry Collins has been appointed chairman of CUP-RYL, succeeding Mr. John Olyer, who is also the vice chairman and managing director of Berger Jensen and Nicholson, a subsidiary of Hoechst.

Mr. Peter Atwell has been appointed managing director of EDGAR ALLEN BERRY. He was chief executive of the Shepherd Group's bulk handling equipment operations in York.

Mr. L. D. Maclean has been appointed chief executive of TOMKINSONS CARPETS and its subsidiaries and managing director of Tomkinsons Carpets Kidderminster from June 1. He was formerly a director within the Carpets International Group.

Mr. Norman Richards, managing director of GRN Steelstock, has been elected president of the NATIONAL ASSOCIATION OF STEEL STOCK-HOLDERS.

Mr. N. R. Manser, a senior executive of the Corporation, has been appointed as BARCLAYS BANK, has been appointed an assistant general manager of the bank.

Mr. Trevor A. Wey has been appointed life manager of the MCKENZIE WYTES TO B.S. ASSURANCE COMPANY responsible for the operations of the life division. Mr. B. A. Foreman, remains in overall of assistant managing director, pensions, actuarial and computer development.

Mr. E. A. Atkins has been appointed works director of MARINE AND INDUSTRIAL HEAT.

UNION OF STEEL STOCK-HOLDERS

Mr. William A. Cauldwell, Mr. John E. Golton and Mr. Steven H. Jukofsky have been appointed vice-presidents of the BANK OF NEW YORK. Mr. Golton is at the London office of the bank, which he joined in 1967 as assistant manager. Mr. Cauldwell is in the investment counsel department and Mr. Jukofsky is a member of the trust operations department, both in Manhattan.

Mr. Gerald Tsai, Jr. has been elected to the board of the AMERICAN DISTILLING COMPANY. He is chairman and president of G. Sasi and Co., a member of the New York Stock Exchange.

Major D. A. Blair has resigned from the board of UNITED GLASS in anticipation of his retirement from the board of the Distillers Company in September. He will be succeeded as chairman of United Glass by Mr. J. M. Connell, who has been a member of that board since 1972 and is a director of Distillers, a member of its management committee.

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Mr. John Sanderson has been appointed sales director for BRITISH CAR AUCTIONS. He was formerly director (West) for Hertz Europe.

Mr. J. T. Collar has been appointed controller of PULLMAN KELLOGG (London). He succeeds Mr. C. R. Phillips, who has moved to Chicago as director of internal audit for the parent, concern Pullman Incorporated. Mr. Collar is controller of the northeast operations centre of the international design, engineering and construction organization.

The MINISTRY OF DEFENCE has appointed Mr. J. D. Cashlaw as director of the Defence Operational Analysis Establishment, West Byfleet, Surrey, from June 1. He will succeed Dr. Ian James, who is retiring from the public service.

Mr. Paul Williams has been appointed divisional director, personnel resources, of NCR, following Mr. Don Fraser, who previously industrial relations manager.

Air Marshall Sir Herbert Durkin, who is controller of engineering and supply, Royal Air Force, until he retires, is joining the board of PLESSEY TELECOMMUNICATIONS INTERNATIONAL - shortly to be renamed Plessey Telecommunications and Office Systems as a non-executive director. He will also act as a technical adviser to the managing director, Mr. Desmond Pitcher.

Mr. Gary Dartnall, formerly director and vice-chairman of EMI Television Programs Inc., has been appointed president of EMI VIDEOGRAMS INC. which is being established in Hollywood, U.S.

Mr. Tom King has resigned as chairman of SALE TILNEY AND CO. on taking up an appointment as Minister in the new government.

Sir Richard Young, deputy chairman of BOOSEY AND HAWKES, is to become chairman after the annual meeting on May 30. He will succeed Mr. H. P. Barker, who is retiring as chairman but will stay on as a non-executive director for a further year.

Mr. Frits Janssen has been appointed managing director of MANN JUDG MANN CONSULTANTS, the consultancy member of Mann Judd Chartered Accountants.

Mr. N. R. Manser, a senior executive of the Corporation, has been appointed as BARCLAYS BANK, has been appointed an assistant general manager of the bank.

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SINGAPORE

Table with columns for date (May 11, May 12) and various stock indices (Straits Time, Industrial, etc.)

Table titled 'BRITISH FUNDS (449)' listing various fund names and their values.

Table titled 'BREWERS (163)' listing various brewery names and their values.

Table titled 'COMMERCIAL (2,728)' listing various commercial entities and their values.

Table titled 'PUBLIC BODIES (14)' listing various public bodies and their values.

Table titled 'COMMONWEALTH CORP. STOCKS' listing various commonwealth corporations and their values.

Table titled 'FOREIGN STOCKS & BONDS' listing various foreign stocks and bonds.

Table titled 'COUPONS PAYABLE IN LONDON' listing various coupon payments.

Table titled 'BANKS (187)' listing various banks and their values.

Table titled 'CINEMAS—Continued from Page 14' listing cinema listings.

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Stock Exchange Dealings

Thursday, May 10 4,625
Wednesday, May 9 5,441
Tuesday, May 8 7,042
Monday, May 7 7,255
Friday, May 4 6,828
Thursday, May 3 7,116

The list below gives the prices at which bargains were done by members of the Stock Exchange and recorded in last Thursday's Stock Exchange Daily Official List. For those securities not marked in Thursday's List, we show the latest marketings recorded during the previous four business days that are distinguished by the dates shown in parentheses.

The number of dealings marked on Thursday in each section follows the nature of the section. Unless otherwise denoted, shares are fully paid and stock £100 fully paid.

Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 pm only, but later transactions can be included in the following day's Official List. Indication is available as to whether a bargain represents a sale or purchase. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

Bargains done previous day, 5 Bargains done with members of a recognised Stock Exchange, 6 Bargains done for delayed delivery, 7 'no buying-in', 8 'no selling-out', 9 'no buying-in', 10 'no selling-out', 11 'no buying-in', 12 'no selling-out', 13 'no buying-in', 14 'no selling-out', 15 'no buying-in', 16 'no selling-out', 17 'no buying-in', 18 'no selling-out', 19 'no buying-in', 20 'no selling-out', 21 'no buying-in', 22 'no selling-out', 23 'no buying-in', 24 'no selling-out', 25 'no buying-in', 26 'no selling-out', 27 'no buying-in', 28 'no selling-out', 29 'no buying-in', 30 'no selling-out', 31 'no buying-in', 32 'no selling-out', 33 'no buying-in', 34 'no selling-out', 35 'no buying-in', 36 'no selling-out', 37 'no buying-in', 38 'no selling-out', 39 'no buying-in', 40 'no selling-out', 41 'no buying-in', 42 'no selling-out', 43 'no buying-in', 44 'no selling-out', 45 'no buying-in', 46 'no selling-out', 47 'no buying-in', 48 'no selling-out', 49 'no buying-in', 50 'no 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LONDON STOCK EXCHANGE

Companies and Markets

Rally halted on confirmation of double figure inflation Equities mixed with index down 25.8 on week at 532.8

Account Dealing Dates... First Declared Last Account...

A disappointing week during which business progressively diminished ended yesterday with attempted rallies from earlier weakness thwarted by confirmation of price inflation is back into double figures.

As measured by official markings of 4.328, trade was at its lowest for three weeks, while the range of the FT 30-share index was limited to less than four points with a loss of 0.8 at 10 am and a net gain of 2.9 at noon.

Gilt-edged also treated with narrow limits and closed little changed on overnight levels.

The markets' chief disappointment since last Monday, the start of a new trading account, was the absence of any follow-through to the late demand that developed immediately following the general election which implied an extension this week of the strong conditions prevailing in the City up to the look-for-Tory victory.

While not unexpected, yesterday's announcement of the retail price index showing inflation running at just over 10 per cent succeeds earlier adverse economic indicators which have left institutional investors unwilling to commit fresh funds pending the new Government's policies, to be outlined in the Queen's Speech next Tuesday, and Sir Geoffrey Howe's first Budget which is expected about four weeks later.

The big investors have caused concern also in this week's 600 plus rights issues with the promise of more to come, and next Monday's £230m call on the partly-paid Exchequer 11 per cent.

A small two-way institutional business in the investment currency market saw the premium move between 56 and 57 per cent before closing the day a fraction easier on balance at 56 1/2 per cent.

Traded options reflected the quiet equity market and only 697 deals were completed, barely half of the short week's average of 1,236. Among the more active issues, EMI attracted 192 trades.

Royals easier... The shock setback in first-quarter profits announced by Royals on Thursday, continued to weigh heavily on Composite Insurances which closed easier for a second day.

Steady for the most part, home banks turned easier after-hours to close at the day's lowest levels. Midland, 20p and NatWest, 37p, all ended 5 lower.

Sell-off of Grand Metropolitan, down 7 at 161p, was accompanied by rumours of a pending rights issue. Leading Brewers ended easier in sympathy although business was light.

Noteworthy movements in generally subdued Buildings were restricted to issues with a speculative flavour.

Watts Blake R-rare put on 12 to 160p and A. Monk 4 to 76p. Business in ICI left much to be desired but the price settled 2 up at 397p, after earlier progress to 389p.

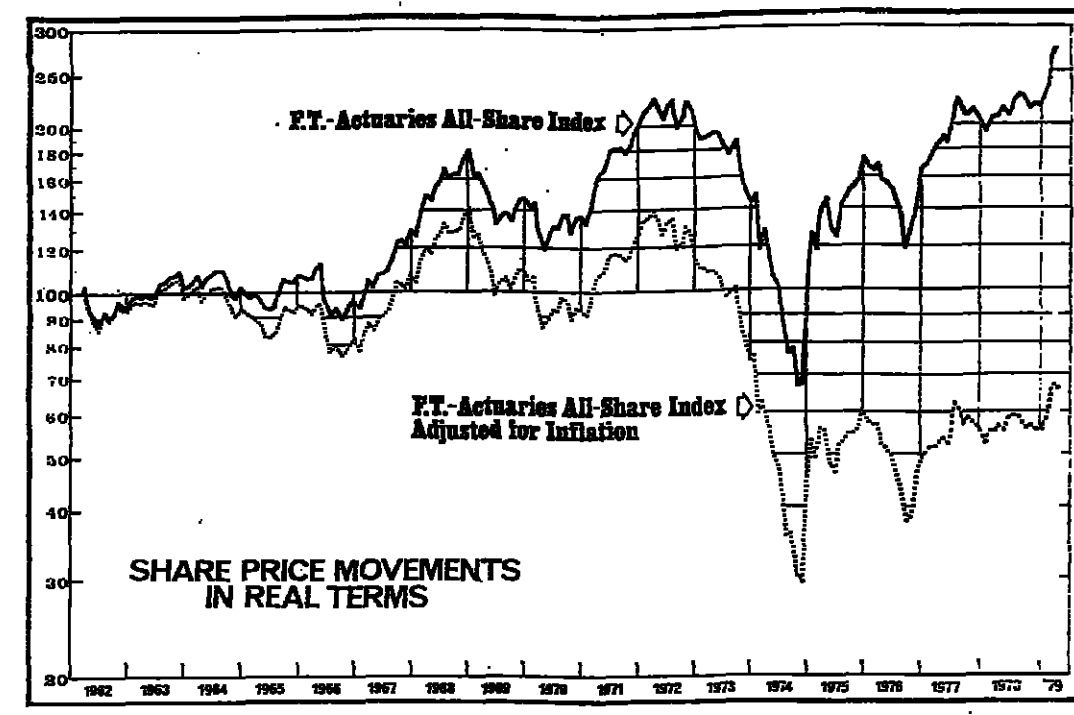
Stores were featured by a jump of 12 to 184p in Millets Leisure following comment on the record profits.

Interest in the Electrical sector was at an extremely low ebb and the majority of movements were limited to a few pence either way.

Lesney down again... Industrial leaders moved narrowly in thin trading and closed mixed. Glaxo ended with an above-average gain of 8 to 500p, while Boots recovered 4 to 234p but Beecham declined 2 to 688p.

Trading statements attracted the bulk of interest among lacklustre Motor sectors. Peak Investments cheapened 1 1/2 to 12p following the late announcement of the increased first-half loss while, in Distributors, F. C. Gates slipped a couple of pence to 76p following the results and capital proposals.

Fears of an oil price war affected International Thomson which shed 9 to 385p, while the Convertible fell 13 to 315p. Other



SHARE PRICE MOVEMENTS IN REAL TERMS

where. Shippings attracted increased interest on a batch of new issues. Active and firm at the outset on strong takeover rumours, Furness Withy reacted at 20p for a net loss of 7 following the announcement that KCA, a penny cheaper at 47p, after 45p had acquired a 3.3 per cent stake in the company at 288p per share with an option to buy a further 8.4 per cent from Euro-Canadian Shipholdings.

Properties attempted to regain a little composure following the recent downturn, but initial gains were usually eroded in late dealings and closing prices were little changed on balance.

South African Financials again attracted a fair amount of support from overseas and London buyers reflecting the recent buoyancy of the gold share market.

Disappointment with the first liquidation payment, left Bird (Africa) 4 easier at 14p, where, Plantations closed with modest losses reflecting the lower trend from far-eastern sources.

Sharp contrast to the quiet conditions that prevailed elsewhere.

FINANCIAL TIMES STOCK INDICES

Table with columns for various stock indices (Government Secs., Fixed Interest, Industrial, Gold Mines, etc.) and their values for different dates.

HIGHS AND LOWS

Table showing High and Low values for various stock indices and categories.

NEW HIGHS AND LOWS FOR 1979

Table listing new highs and lows for 1979 across various sectors like Chemicals, Electricals, and others.

RISES AND FALLS

Table comparing stock performance yesterday versus on the week, showing rises and falls in various categories.

OPTIONS

Table of options for various stocks including BP, Shell, ICI, GEC, etc., with columns for deal, declar, last, and settlement.

ACTIVE STOCKS

Table of active stocks with columns for stock, denomination, closing price, change, and 1979/1978 values.

ON THE WEEK

Table showing stock performance over the week for various companies like BP, Shell, ICI, etc.

BASE LENDING RATES

Table of base lending rates for various banks and financial institutions.

LONDON TRADED OPTIONS

Table of London traded options for various stocks, including BP, Shell, ICI, GEC, etc.

RECENT ISSUES

Table of recent issues for various stocks, including BP, Shell, ICI, GEC, etc.

EQUITIES

Table of equity prices for various stocks, including BP, Shell, ICI, GEC, etc.

FIXED INTEREST STOCKS

Table of fixed interest stocks, including various government and corporate bonds.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries.

Large table of FT-Actuaries Share Indices, including Equity Groups & Sub-sections, Fixed Interest Price Indices, and Fixed Interest Yields.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trst. Mgrs. (a), Abbey Unit Trst. Mgrs. (b), and others, including their names, addresses, and contact information.

Table listing various insurance and property bonds companies, including Crown Life Assurance Co. Ltd., London Life Assurance Co. Ltd., and others, with their respective details.

Table listing various offshore and overseas funds, including Alexander Fund, Allen Harvey & Ross Inv. Mgmt. (C.I.), and others, with their details.

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NOTES: This section contains important notes and disclaimers regarding the information provided in the fund listings, including a warning about the risks of investment.

Managers of Commercial Property

Knighr Frank & Rutley

FT SHARE INFORMATION SERVICE

BONDS & RAILS—Cont.

1979 High	1979 Low	Stock	Price	Div. %	Yield
100	98	1979	100	—	—
100	98	1979	100	—	—

BANKS & HP—Continued

1979 High	1979 Low	Stock	Price	Div. %	Yield
100	98	1979	100	—	—
100	98	1979	100	—	—

CHEMICALS, PLASTICS—Cont.

1979 High	1979 Low	Stock	Price	Div. %	Yield
100	98	1979	100	—	—
100	98	1979	100	—	—

ENGINEERING—Continued

1979 High	1979 Low	Stock	Price	Div. %	Yield
100	98	1979	100	—	—
100	98	1979	100	—	—

BRITISH FUNDS

1979 High	1979 Low	Stock	Price	Div. %	Yield
100	98	1979	100	—	—
100	98	1979	100	—	—

AMERICANS

1979 High	1979 Low	Stock	Price	Div. %	Yield
100	98	1979	100	—	—
100	98	1979	100	—	—

Over Fifteen Years

1979 High	1979 Low	Stock	Price	Div. %	Yield
100	98	1979	100	—	—
100	98	1979	100	—	—

Undated

1979 High	1979 Low	Stock	Price	Div. %	Yield
100	98	1979	100	—	—
100	98	1979	100	—	—

INTERNATIONAL BANK

1979 High	1979 Low	Stock	Price	Div. %	Yield
100	98	1979	100	—	—
100	98	1979	100	—	—

CORPORATION LOANS

1979 High	1979 Low	Stock	Price	Div. %	Yield
100	98	1979	100	—	—
100	98	1979	100	—	—

LOANS

1979 High	1979 Low	Stock	Price	Div. %	Yield
100	98	1979	100	—	—
100	98	1979	100	—	—

FOREIGN BONDS & RAILS

1979 High	1979 Low	Stock	Price	Div. %	Yield
100	98	1979	100	—	—
100	98	1979	100	—	—

BEERS, WINES AND SPIRITS

1979 High	1979 Low	Stock	Price	Div. %	Yield
100	98	1979	100	—	—
100	98	1979	100	—	—

DRAPERY AND STORES

1979 High	1979 Low	Stock	Price	Div. %	Yield
100	98	1979	100	—	—
100	98	1979	100	—	—

BUILDING INDUSTRY, TIMBER AND ROADS

1979 High	1979 Low	Stock	Price	Div. %	Yield
100	98	1979	100	—	—
100	98	1979	100	—	—

CANADIANS

1979 High	1979 Low	Stock	Price	Div. %	Yield
100	98	1979	100	—	—
100	98	1979	100	—	—

BANKS AND HIRE PURCHASE

1979 High	1979 Low	Stock	Price	Div. %	Yield
100	98	1979	100	—	—
100	98	1979	100	—	—

COMMONWEALTH & AFRICAN LOANS

1979 High	1979 Low	Stock	Price	Div. %	Yield
100	98	1979	100	—	—
100	98	1979	100	—	—

U.S. E.M.C. AND RADIO

1979 High	1979 Low	Stock	Price	Div. %	Yield
100	98	1979	100	—	—
100	98	1979	100	—	—

BEERS, WINES AND SPIRITS

1979 High	1979 Low	Stock	Price	Div. %	Yield
100	98	1979	100	—	—
100	98	1979	100	—	—

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100	98	1979	100	—	—
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100	98	1979	100	—	—
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CANADIANS

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100	98	1979	100	—	—
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1979 High	1979 Low	Stock	Price	Div. %	Yield
100	98	1979	100	—	—
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1979 High	1979 Low	Stock	Price	Div. %	Yield
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BEERS, WINES AND SPIRITS

1979 High	1979 Low	Stock	Price	Div. %	Yield
100	98	1979	100	—	—
100	98	1979	100	—	—

DRAPERY AND STORES

1979 High	1979 Low	Stock	Price	Div. %	Yield
100	98	1979	100	—	—
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BUILDING INDUSTRY, TIMBER AND ROADS

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1979 High	1979 Low	Stock	Price	Div. %	Yield
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1979 High	1979 Low	Stock	Price	Div. %	Yield
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100	98	1979	100	—	—

U.S. E.M.C. AND RADIO

1979 High	1979 Low	Stock	Price	Div. %	Yield
100	98	1979	100	—	—
100	98	1979	100	—	—

BEERS, WINES AND SPIRITS

1979 High	1979 Low	Stock	Price	Div. %	Yield
100	98	1979	100	—	—
100	98	1979	100	—	—

DRAPERY AND STORES

1979 High	1979 Low	Stock	Price	Div. %	Yield
100	98	1979	100	—	—
100	98	1979	100	—	—

BUILDING INDUSTRY, TIMBER AND ROADS

1979 High	1979 Low	Stock	Price	Div. %	Yield
100	98	1979	100	—	—
100	98	1979	100	—	—

CANADIANS

1979 High	1979 Low	Stock	Price	Div. %	Yield
100	98	1979	100	—	—
100	98	1979	100	—	—

BANKS AND HIRE PURCHASE

1979 High	1979 Low	Stock	Price	Div. %	Yield
100	98	1979	100	—	—
100	98	1979	100	—	—

COMMONWEALTH & AFRICAN LOANS

1979 High	1979 Low	Stock	Price	Div. %	Yield
100	98	1979	100	—	—
100	98	1979	100	—	—

U.S. E.M.C. AND RADIO

1979 High	1979 Low	Stock	Price	Div. %	Yield
100	98	1979	100	—	—
100	98	1979	100	—	—

FOOD, GROCERIES—Cont.

1979 High	1979 Low	Stock	Price	Div. %	Yield
100	98	1979	100	—	—
100	98	1979	100	—	—

HOTELS AND CATERERS

1979 High	1979 Low	Stock	Price	Div. %	Yield
100	98	1979	100	—	—
100	98	1979	100	—	—

INDUSTRIALS (Misc.)

1979 High	1979 Low	Stock	Price	Div. %	Yield
100	98	1979	100	—	—
100	98	1979	100	—	—

FOOD, GROCERIES, ETC.

1979 High	1979 Low	Stock	Price	Div. %	Yield
100	98	1979	100	—	—
100	98	1979	100	—	—

INDUSTRIALS—Continued

Table of industrial stocks including companies like British Airways, British Petroleum, and various manufacturing firms.

INSURANCE—Continued

Table of insurance companies such as British Overseas Airways, British Petroleum, and various insurance providers.

PROPERTY—Continued

Table of property-related stocks and companies.

INVESTMENT TRUSTS—Cont.

Table of investment trusts and related financial instruments.

FINANCE, LAND—Continued

Table of finance and land-related stocks and companies.

Planning and Compensation Knight Frank & Rutley

MINES—Continued

Table of mining stocks including Australian and Tins.

Table of Overseas Traders.

Table of Rubbers and Sisals.

Table of Teas.

Table of Sri Lanka.

Table of Mines Central Rand.

Table of Mines Eastern Rand.

Table of Mines Far West Rand.

Table of O.F.S.

Table of Finance.

Table of Finance Land, etc.

Table of Finance Diamond and Platinum.

Table of Finance Central African.

INSURANCE

Table of insurance companies.

PROPERTY

Table of property-related stocks.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land.

FINANCE, LAND, ETC.

Table of finance, land, and other.

DIAMOND AND PLATINUM

Table of diamond and platinum.

REGIONAL MARKETS

Table of regional markets.

Table of regional markets.

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MAN OF THE WEEK

East meets West

BY JUREK MARTIN

EARLIER THIS YEAR, several members of the American Press decided it was about time to do some serious profiles on Mr. Cyrus Vance.



Anatoly Dobrynin Has never put a public foot wrong

The same cannot be said, at least in the social context, of the man who this week sat in the State Department and helped put the final seal on the Strategic Arms Limitation Agreement between the Soviet Union and the United States.

There are, of course, two Dobryns. Wearing his official hat he is immensely hard working and totally discreet, the quintessential career foreign service officer.

Through it all, it appears that he has never put a public foot wrong and has clearly earned the considerable trust of the hierarchy in Moscow and President Brezhnev in particular.

On SALT, it is widely thought that to the extent that any envoy has much leeway from headquarters in negotiations Dobrynin enjoyed it.

The social Dobrynin—for all his discretion and his disclaimers that he does not have much time for parties—is a different matter. People who know him talk of his great wit, sophistication and urbanity, his very idiomatic but completely fluent use of English.

Dobrynin gets around the country as well as Washington, but complains sometimes that he finds an abysmal American ignorance about the Soviet Union.

Thatcher verdict on EMS by September

BY DAVID MARSH

THE GOVERNMENT will make up its mind by September whether Britain will join the European Monetary System.

The Prime Minister said Britain needed time to examine all the aspects of EMS membership. The Government would have considered its position by the time of the formal EEC review of the system in September, six months after the setting up of the scheme.

Emphasising the basic line towards Europe of conciliation mixed with toughness set out in her speech on Thursday night, Mrs. Thatcher said she was aiming for a constructive framework for British relations with the Common Market.

Mrs. Thatcher and Herr Schmidt stressed their intention of maintaining the harmony between the British and German Governments.

Herr Schmidt said he was fully satisfied with the attitude Mrs. Thatcher's Government was taking towards the EMS and commented "hear, hear" when Mrs. Thatcher cited the need for changes in the EEC's green currency and farm pricing mechanisms.

consultations, had enabled the two sides to get to know each other's policies and had laid the basis for co-operation.

The two leaders were joined in their foreign policy discussions by Lord Carrington, the Foreign Secretary, and Herr Hans-Dietrich Genscher, his German counterpart.

The package would have three or four elements. It would include an agreement between Turkey and the International Monetary Fund, loans from commercial banks, and separate aid from a consortium of OECD and other countries along the lines first proposed at the Gaudeloupe summit earlier this year.

Herr Schmidt called for a swift ratification in both Moscow and Washington of the new SALT II agreement. He said that negotiation had already taken too long and that delay would be harmful for the West and the rest of the world.

Picture, Page 4; Markets, Page 25

THE GOVERNMENT to make an early decision to join the EMS and does not believe that the UK's continued absence is likely to impair the functioning of the EMS.

This view, understood to be held by Mr Raymond Barre, the French Prime Minister, is based on the fear that if Britain was to join the EMS before it felt ready to do so, its membership could prove brief.

French officials recall Britain's short-lived membership of the EEC "currency snake" in 1972, which lasted only six weeks. They fear that if this recurred with the EMS, the system could be damaged.

The view in Paris is that sterling's participation in the EMS is less important to the system's success at this stage than the fact that the EEC's six founding members are all taking part and providing a solid "core" for its operations.

The clear implication is that in spite of the Conservative Government's commitment to a more pro-EEC attitude than its Labour predecessor, France still considers that there is a greater community of interest among the six original members than in the enlarged EEC of nine.

Two-tier plan for EEC farm prices

By Christopher Parkes

A TWO-TIER price system for farm produce was suggested yesterday as a "more realistic" solution to the problems of the Common Agricultural Policy by M. Jean François Poncet, the French Foreign Minister.

Full prices for a set quota of farm output would allow producers to keep pace with rising costs, while lower rates for production beyond the quota would discourage them from adding to surpluses, Reuter reported from Paris.

M. Poncet's ideas are a radical departure from the traditional French approach to farm policy. Quotas have long been promoted by economists as the only long-term solution to the Community's difficulties with "mountains" and "lakes" of surplus produce.

The Commission has warned in the past that they might become inevitable, but M. Poncet is the first politician of such rank to have given public support to the concept. The notion obviously cannot be incorporated in this year's farm price fixing which is already running months behind schedule.

Nor will French and German farmers take kindly to the idea of having their existing open-ended price guarantee taken away from them. At present any produce not sold on the open EEC market or exported with the aid of heavy subsidies, is virtually automatically taken into the intervention stores at full prices.

Ironically, the only major commodity at present subject to quotas, sugar, is one of the Community's most embarrassing problems. Annual surpluses at present are about 3m tonnes. But sugar quotas, fixed before the EEC had any idea of the potential sale of its difficulties, are to be reviewed shortly.

For this year, senior French Government officials said, the last British Government's demand for an overall freeze on farm prices was "illusory".

They accepted that surpluses had to be controlled but claimed that prices should rise by more than the lowest level of inflation in the Community.

Euro elections strain Labour's fragile unity

BY ELINOR GOODMAN, LOBBY STAFF

NEXT MONTH'S direct elections to the European Parliament look like putting a severe strain on the Labour Party's fragile unity.

With nominations for the 78 British Euro constituencies due to close today, all the old divisions between pro- and anti-Marketers look like coming close to the surface again in what Transport House believes will be a low-key campaign.

This is despite the efforts of some leading Labour moderates to close ranks and avoid the painful splits which racked the movement after previous election defeats.

Rather than allow the Left to become totally exiled on the back benches, some moderate members of Mr Callaghan's former Cabinet were yesterday saying that ways must be found of ensuring that the Left is represented in the "shadow" Cabinet.

which tactics like this seemed designed to create, are likely to be seriously tested during the European election campaign. The signs are that Mr. Anthony Wedgwood Benn, the leading anti-Marketer, may try to play a more prominent role in the campaign than Mr. Callaghan.

And, since Mr. Benn announced earlier this week that he had back benches to a possible position in Mr. Callaghan's Shadow Cabinet, he will no longer feel inhibited by the doctrine of collective responsibility which meant he had to tone down some of his hostility towards the Community while in the Government.

Mr. Benn and Mr. Callaghan will fight the European elections on the same manifesto. Mr. Callaghan will adopt a Gaullist attitude, claiming to press Britain's interests first. Mr. Benn will stress the party's total

opposition to any move towards federalism and the threat in the manifesto to take Britain out of the Community if fundamental reforms are not met.

As chairman of the party's EEC liaison committee, Mr. Benn looks set to claim what he sees as his right to appear alongside Mr. Callaghan in Labour's party political broadcast for the direct elections. Though pro-Marketers will do their best to avoid it happening, it could be left to Mr. Benn to launch the party's manifesto for Europe on Monday week.

Labour has been too preoccupied with the Westminster elections to pay much attention to the European poll on June 7. Mr. Callaghan is known to be very unhappy with some parts of the manifesto. He would prefer it if some of those sections which Mr. Benn believes are most important were played down during the campaign.

Weather UK TODAY MOST parts of England, Wales and Northern Ireland will be dry with sunny spells. Scotland cloudy with rain. London, S.E., E. and Central S. England, E., Anglia, Midlands mainly dry, with sunny spells. Warm. Max. 20C (68F). N.E. and Central N. England, Lakes Drizzle first becoming drier with sunny intervals. Max. 17C (63F). S.W. and N.W. England, Wales, Channel Is., Is. of Man Mostly dry. Rather cloudy near coasts. Max. 17C (63F). Scotland Occasional rain. Cloudy. Some bright intervals. Max. 14C (57F). Northern Ireland Rain early. Becoming dry with sunny intervals. Max. 16C (61F). Outlook: Dry in the South. Some rain in the North, with bright intervals.

Table with 3 columns: City, Y'day, Midday. Lists cities like Alicante, Algiers, Amsterdam, Athens, Bahrain, Barcelona, Beirut, Belfast, Bern, Birmingham, Bonn, Bristol, Brussels, Bucharest, Buenos Aires, Cardiff, Casablanca, Catania, Chicago, Cologne, Copenhagen, Corfu, Dublin, Edinburgh, Florence, Frankfurt, Geneva, Gibraltar, Giza, Hanoi, Harbin, Helsinki, Hong Kong, Innsbruck, Istanbul, Jakarta, Johannesburg, London, Lyons, Madrid, Manila, Mexico City, Milan, Moscow, New York, Ottawa, Paris, Perth, Rome, Seoul, Singapore, Stockholm, Sydney, Tehran, Tokyo, Toronto, Valencia, Vienna, Warsaw, Zurich.

Access to Japan

THE EEC has achieved "significant progress" in its efforts to obtain better access for European manufactured goods to the Japanese market.

According to the Commission's Director General for External Relations, Sir Roy Denman, the just-completed two days of consultations in Tokyo were the first in two years to produce any shift in the Japanese position on testing procedures for manufactured imports.

A considerable improvement in access to the Japanese market looks hopeful for five categories of manufactured products: pharmaceuticals, agro-chemicals, electrical and gas appliances, tractors, and sanitary fittings.

Despite the breakthrough, Sir Roy said that the surplus in Japan's favour on bilateral trade with the EEC would continue to grow this year—possibly to a record level of \$3 to \$9.

One reason for this was the "structure" of Japanese imports which continue to leave less room for manufactured goods than in other developed countries.

Sir Roy indicated that the EEC still hopes for a "structural shift" in Japanese trade, although clearly this was not a matter for negotiation. It could not forecast the extent to which the improved success would help the EEC to increase its exports, but stressed that Japan had given a "real commitment" to improve the situation.

As an example of what had been achieved, Sir Roy said he hoped European tractor manufacturers would be able to complete Japanese inspection procedures in six months from now instead of the eight to eleven months previously required.

U.S. backs Eurodollar controls

A SENIOR U.S. Treasury official yesterday lent public weight to the proposal to place selective controls on the Eurodollar markets.

In a speech in Washington, Mr. Anthony Solomon, the Under Secretary for Monetary Affairs, concluded a long analysis of the history and workings of the Eurodollar market by noting that inevitably they interact with domestic money and credit markets.

"Therefore, we should consider whether additional measures are needed to help assure that the Eurodollar market does not work to erode domestic money and credit policies and that the markets themselves remain strong and capable of fulfilling their intermediary function," he added.

"A variety of instruments—for example, introduction of a minimum reserve requirement on Eurodollar deposits—could be considered that would make a contribution to the strength and stability of the Eurodollar market, and to the greater effectiveness of national and international monetary policies."

Last weekend, the central bank governors, meeting in Basle, stepped up their discussions of the need for some controls on the Eurodollar market. Mr. G. William Miller, chairman of the Federal Reserve Board, is understood to have presented a staff working paper to the other governors.

Mr. Solomon emphasised that it was far from clear that general controls on the Eurodollar market would serve to correct what had been a very selective and specific problem in international credit.

He foresaw imbalance in the global payments problem worsening in the immediate future in the wake of the latest OPEC price increases.

NEB dilemma

THE GOVERNMENT has to decide in the next few weeks whether to allow the National Enterprise Board to invest £15m or more in a new titanium plant urgently needed for Rolls-Royce aero-engine production in 1982.

The decision will be taken after conclusion of negotiations which envisage a titanium plant built on Teesside by a consortium of the NEB, Rolls-Royce and Imperial Metal Industries.

The plant is expected to cost up to £20m and produce 8,000 tons of sintered titanium a year, supplying about 300 people—although it could be smaller.

It is needed because a 25-year-old Imperial Chemical Industries plant at Wilton on Teesside, which at present supplies the titanium via ICI, has been run down and is to shut in 1982.

There are only two other manufacturers of the sort of titanium needed by Rolls-Royce, but they are in Japan and the U.S., and it seems unlikely that the Government would be prepared to rely solely on a foreign country for supplies.

A return to double digit inflation

THE LEX COLUMN

Index rose 0.1 to 532.8

History has repeated itself this week. Stock market records are full of instances of share prices hitting short-term peaks on or around general election polling days, and profit takeovers have been busy in the past few days.

At least there was no new tap stock yesterday afternoon. A full issue of a fixed coupon stock had not really been expected in such unsettled conditions, but there were suggestions that the authorities might take the opportunity to produce the fourth issue of variable rate stock—the third issue, colloquially known as V3, ran out a couple of days ago.

Double-digit inflation makes good headlines, and would have made very good electioneering fodder if it had come about a month earlier. For the stock market, the most significant thing about it is that it is likely to be around for some time.

Seasonal food prices have been high for unseasonably long this winter, but even if they are stripped out of the index, there has been a 12.3 per cent rise in retail prices.

Who said the City's buccaneering spirit was dead? Yesterday KCA Drilling, which lost most of its money and a number of its rigs in Algeria a few years ago, emerged as the mystery buyer of Furness Withy shares—a company seven times its size.

It has bought 3.7 per cent of FW for cash and another 8.4 per cent for deferred settlement but with the option of reverse from EuroCanadian. The latter is under strict instruction from the Monopolies Commission to reduce its stake to 10 per cent by the end of this year.

Altogether KCA and EuroCanadian control 22 per cent of FW and claim to be seeking "close" relationships. Given the hostility that surrounds EuroCanadian's earlier approaches to FW this is in paving a red rag at a bull. EuroCanadian is forbidden from bidding for FW, and KCA clearly cannot afford to do so immediately reaction of the market was one of puzzlement. The shares fell 17p after an announcement to 231p.

However, the KCA initiative should not be completely ignored. Aside from the general shareholders in FW there are four different parties interested in the future of the company and not all of them are large with the current train of events. KCA Drilling clearly has its eye on FW's offshore drilling operation and, in particular, the Uncle John drilling rig which is fabulously profitable. It could somehow merge interests with those of FW, might be able to turn itself into a major international drilling company, rather like Sainsbury.

Meanwhile EuroCanadian's concern with its own stake in Manchester Liberty (controlled by FW) if it could hold of Manchester Liberty which lost money in 1978, but it could tighten its hold on the Canadian container trade. There is also European Ferries which announced a 2 per cent stake in FW some time ago. It has been playing down its interest in making a bid recently, but with its cross channel ferry routes reaching maturity as cash starting to pile up it needs to diversify.

Finally, there is Rex Brothers, a tiny City merchant bank, that is understood to influence over 20 per cent of the shares. FW is not as safe from takeover as it likes to make out.

Registered at the Post Office. Printed by St. Clement's Press for and published by the Financial Times Ltd., Brecken House, Cannon Street, London, EC4A 3DF. © The Financial Times Ltd. 1979.

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